THE Freeman

IDEAS ON LIBERTY

JULY 1959

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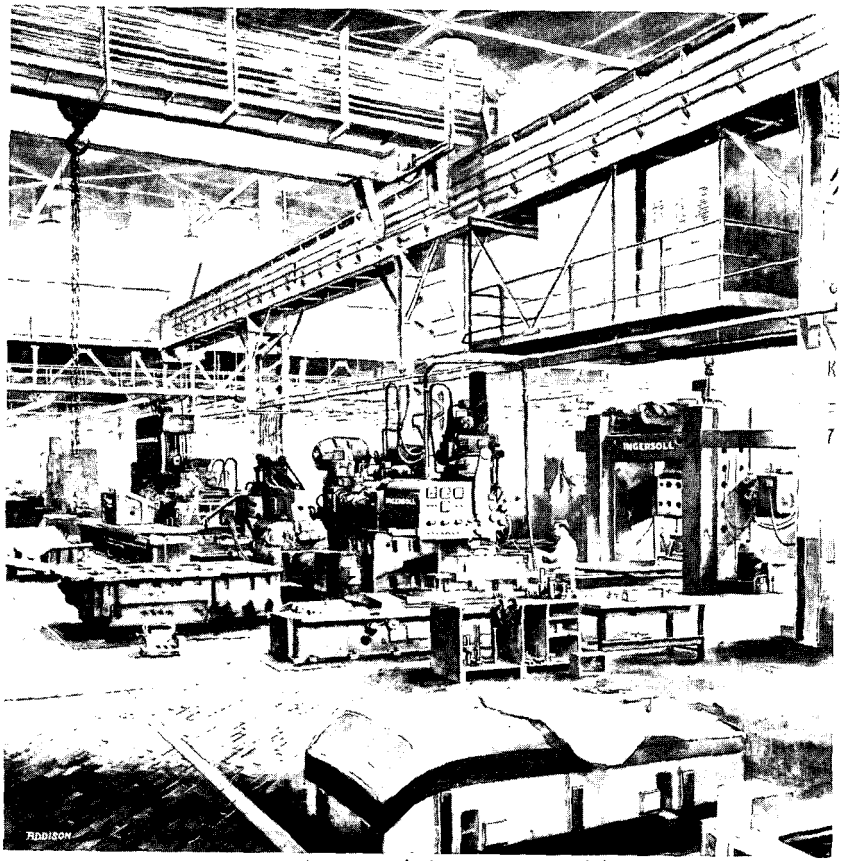

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the Philosophy of the Blur

MERRYLE STANLEY RUKEYSER

THE COLD WAR with Iron Curtain countries puts traditional domestic issues into a fresh perspective. The wastes and peccadilloes, which are accepted with bemused tolerance in normal times, become dangerously unacceptable in interludes of crisis.

Thus routine demagoguery, to which the voting public may have long become acclimatized, may nowadays threaten our prospects for national survival. At a time when the United States and its free world allies are girding for heightened international competition, agelong loose practices and moral shortcomings need to be reevaluated.

A free society is entitled to put its best foot forward. This calls for a popular determination to proceed on the basis of unadulterated knowledge and courage.

Accordingly, the "me too" political candidate, who exploits the philosophy of the blur instead of clarity, is – however unwittingly – weakening the fabric of the nation. In trying to be all things to all men, the political confusionist berefts the American system of its inherent superior values, which are based on safeguarding the free choices of the individual.

Even in less tense and critical times, the deviations from freedom and toward regimentation were inharmonious with the healthy functioning of our economic system. It was a monumental blunder to try to blend the economic slave doctrine of Karl Marx with the principles of a free society. Since the Bolshevists made socialism a dirty word, advocates of a trend toward collectivism try to make their program more palatable by the semantic trick of calling the new confusion a "mixed economy." There would be greater clarity in describing the admixture of freedom and regimentation as a "mixed *up* economy."

In this frame of reference, the slick candidate who blows hot and cold through the devious chan-

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nels of me-too-ism, tends to impair the strength and essential value of a free-choice system. While freedom obviously entails even the right to be wrong, responsible statesmen try in an objective manner to permit an honest flow of information to citizens, on which intelligent decisions can be based.

Contrary to the cynicism of the dictators, a free society need not be an undisciplined one. On the contrary, the very genius of a well-run Republic depends on the capacity of the people to undertake self-discipline. The hidden internal enemies of self-discipline are the subtle political racketeers who temper truth-telling by their appraisal of the impact of their words on votes. Those who pull their intellectual punches and shrink from telling unpleasant truths, such as the fact that for every governmental benefit there is an offsetting cost, are sabotaging the nation.

The Whole Truth

A public officeholder does a disservice when he disseminates less than the whole truth. It is a crime against society, though a subtle and sometimes concealed one, when a public leader tells only as much of the realities as he assumes will boost his current Trendex popularity rating. Since a public office is a public trust, it is incumbent on the person in power to discharge his fiduciary function by full disclosure of the facts.

The assumption that fence-sitting, however deplorable from the standpoint of the well-being of the nation, is a sure-fire gimmick for continuing political success needs to be re-examined. Perhaps the analogy of investment finance can throw light on this matter. When the unsophisticated saver patronizes a blue-sky stock swindler, he does not do so with his eyes open. On the contrary, he is motivated by a desire to achieve "economic security" for himself and his family. He wouldn't deal with a blue-sky operator if he weren't under the delusion that the vendor was honest. Integrity is an indispensable asset in public and private affairs. The racketeer temporarily gets by only through creating the illusion of responsibility.

There have been inspiring examples in public life of men with the courage to avoid weasel words. The late Bob Taft of Ohio exemplified a type who valued integrity above applause. This trait was so deeply rooted that routine machine politicians frequently questioned the Senator's savvy. It took courage of a high order for Taft to protest after the Nuremburg trials because Nazis had not been tried in accordance with what he

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deemed to be the principles of Anglo-Saxon justice. He criticized reliance on an ex post facto law. Again in 1950, in his last Senate race in Ohio, Taft braved the organized opposition of the CIO and AFL. Instead of pussyfooting, he said publicly what he believed privately, and he won by the largest plurality he ever achieved.

Likewise, the Democrat, Frank Lausche, proved himself a political "best seller." After holding the gubernatorial post for six terms in Ohio, he was elected to the Senate. He, too, is no trimmer. For example, when asked on a "Meet the Press" TV show what he thought of the "right to work" law, he didn't dodge the issue. He was not afraid to speak his piece even though he knew it was contrary to the party line of numerically large pressure groups. He said succinctly: "I don't think anyone's right to earn a living should be contingent on membership in a lodge, club, labor union, or anything else." In the last election, Senator Barry Goldwater, Arizona Republican, thrilled the electorate by his plain talk on the same subject.

These instances of integrity in public life offer hope. Such personalities challenge the easy demagogic assumption that, in the scramble for votes, intelligent analysis of issues is interdicted. The gentle racketeer in politics, wanting to say only those things which net votes, exploits public naivete by dividing groups into the "good guys" and the "bad guys." Usually, in this frame of reference, the labor bosses fall into the "good guy" category, whereas anyone in the employ of a corporation is automatically a "bad guy."

Obviously, corporations, labor unions, voluntary clubs, and other human institutions are neither good nor bad *per se*. They are at best tools with which human beings work, and, irrespective of nomenclature, must be judged by an independent audit of their performance.

Compromise Candidates

The crisis character of these times must bring greater awareness of the inherent defects in such loose thinking and feeling. For example, the *Wall Street Journal*, in commenting on a luminary now on the political scene, remarked: "Senator ..... leans toward him on the ground that he'd be a likely winner. His friends contend that he really isn't as liberal as you think. He is basically pretty conservative but just had to act liberal to get elected."

If vendors of commercial prod-

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ucts were equally cynical, they would be hauled before the Federal Trade Commission for false labeling. These critical times are crying out for more public servants who will echo Henry Clay's words: "I would rather be right than president."

The difference between success and failure vis-à-vis militant Bolshevism may well inhere in public standards which will be intolerant of insincere compromise with economic illiteracy and political skullduggery.

Silencing the Opposition

Any putting forward of a false face in order to win votes is not only a degradation of morals but a slap at the two party system. If the two party system defaults on developing a loyal opposition based on honest debate, it tends to ape the spiritual aspects of totalitarianism. "Me-too-ism" is a type of rarefied poison which dilutes, if it does not nullify, the strength of the American system, which gives the citizen the right to select.

Such illicit striving for popularity based on suppression of honest controversy saps collective energy. Any weak-kneed trend toward uniformity deprives our society of the richness of trial and error and of an examination of alternatives. There should be a new public appreciation of the social utility of honest dissent. The processes of criticism and fair comment become meaningless forms if there is to be a moral lynching of anyone who deviates from the party line. Such outlawing of criticism freezes errors and accumulated maladjustments. This became apparent in fascist Italy after Mussolini fell. The fascist interdiction of criticism caused Italian society to rot and approach a state of collapse. On the other hand, if there had been unrestricted discussion and criticism, many of those blunders would have been uncovered earlier and corrected in time.

What indeed are we to think of the intestinal fortitude of a congressman who votes for a law to draft young men for the armed forces and who himself is so timid, so lacking in courage, that he fears to take an honest, forthright political position? It is a double standard indeed when he orders young men to risk their lives while he is unwilling to hazard the loss of a vote through common honesty.

Paul M. Butler, chairman of the Democratic National Committee, in a speech in New York before the Congress of Industry, appeared to be setting up the criterion that public discussion should be limited to remarks that win votes. It seems to me that the responsible candidate, in setting forth his views, also has an obligation to

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alert those opposed to his ideology to the nature of his views. This gives those intellectually opposed to him an opportunity to exercise their constitutional right to turn thumbs down on him.

Dangers of Mediocrity

Sometimes, it takes the perspective of history to determine the soundness of a man's views. For example, in the Presidential campaign of 1936, former Governor Alfred M. Landon of Kansas bored the electorate and won support only in Maine and Vermont when he argued that the New Deal social and economic philosophy would cut the buying power of the dollar in half. Long after the event, there may be comfort for the defeated candidate in the bitter fact that the subsequent record revealed that he was indeed prophetic.

The issue of forthrightness in public affairs is as old as self-government. Back in 1888, the late Ambassador Bryce, in his *American Commonwealth*, set forth the thesis of why machine bosses prefer mediocrities to first-rate men.

The Briton wrote: "Eminent men make more enemies, and give enemies more assailable points than obscure men do. They are therefore less desirable candidates. It is true that the eminent man has also made more friends, that his name is more widely known, and may be greeted with louder cheers. Other things being equal, the famous man is preferable, but other things are never equal. . . .

"The safe candidate may not draw in quite so many votes from the moderate men of the other side as the brilliant one would, but he will not lose nearly so many from his own ranks. Even those who will admit his mediocrity will vote straight when the moment for voting comes. He (the ordinary American) likes his candidates to be sensible, vigorous and, above all, what he calls 'magnetic' and does not value, because he sees no need for, originality or profundity, a fine culture or a wide knowledge. . . .

"Great men are not chosen president, first, because great men are rare in politics; secondly, because the method of choice does not bring them to the top; thirdly, because, they are not, in quiet times, absolutely needed."

But, alas in these days of frenzied cold war between slavery and freedom, these are not, in Bryce's phrase, "quiet times."

In such periods, the trimmer, the fence sitter, and the confuser is indeed a fifth columnist.

Patriotism calls for a higher sense of responsibility in public life. • • •

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RALPH L. WOODS

THE FIRST

RAISING THE LIBERTY POLE, 1776

John C. McRae, after Chapman

THE BETTMANN ARCHIVE

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FOURTH OF JULY

IT SEEMS SAFE but it is hardly pleasing to say that few of the millions who jam the highways, beaches, lakes, amusement parks, picnic grounds, baseball diamonds, golf links, restaurants, and theaters this Fourth of July will give a thought to that which we celebrate and those whom we honor: that is, the Declaration of Independence, the courageous men who signed it, and the brave men and women of the first thirteen states who accepted, supported, and fought for its principles.

"The Day of Deliverance," John Adams called it in a letter to his wife, Abigail. "I am apt to believe," he wrote, "that it will be celebrated by succeeding generations as the great anniversary festival. It ought to be commemorated . . . by solemn acts of devotion to God Almighty. It ought to be solemnized with pomp and parade, with shows, games, sports, guns, bells, bonfires, and illuminations, from one end of this continent to the other, from this time forward forevermore."

Although it is easy to understand and share Adams' enthusiasm, it should not be supposed that the drafting, endorsement, and signing of the Declaration was a gay and reckless proceeding.

Jefferson's great document owes its genesis to the revolutionary assembly of Virginia when, thirteen months after Concord and Lexington, it instructed its delegates to the Continental Congress to propose independence. Richard Henry Lee of Virginia presented the resolution on June 7, but Congress postponed decision to July 1.

As General Howe's fleet was being sighted off New York Harbor, the Second Continental Congress, meeting in the State House (later Independence Hall) in Philadelphia, began its momentous debate on Lee's resolution and the supporting Declaration Thomas Jefferson had been requested to write.

Jefferson's great document was cut and amended in the course of a four-day debate by some forty-odd men of position and property from the thirteen colonies, while Washington's rag, tag, and bobtail and outnumbered army in

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New York was being further endangered by additional redcoats from the newly anchored British fleet. Consequently, the natural tenseness of the drama being enacted in Philadelphia was heightened repeatedly by the arrival of couriers with messages from distressed colonial assemblies, and by unfailingly calm but desperate pleas from General Washington for more men and supplies.

When the delegates assembled on the morning of July 3, an anonymous note was found on the Speaker's table: "Take care. A plot is framed for your destruction and all of you shall be destroyed." Several nervous delegates thought the cellars of the State House should be searched, especially since there were many loyalist sympathizers in Philadelphia. But most of the delegates agreed with Joseph Hewes of North Carolina when he urged the note be ignored, adding, "I'd as soon be blown to bits as proclaim to the world I was scared by a silly note."

The sense of urgency in the Congress became so great by the afternoon of July 4 that a final vote was taken – resulting in unanimous agreement that "we hold these truths to be self-evident" and that "with a firm reliance on the protection of divine Providence, we mutually pledge to each other our Lives, our Fortunes, and our sacred Honor." Delegate after delegate stood up and declared himself. (Four delegates, obliged to abstain from voting because they lacked instructions from their home assemblies, later in the month signed the document; four others refused to sign and resigned from Congress.)

When everyone had openly declared himself, each man signed the Declaration with full awareness that this step into a new dawn also placed him in the shadow of the gallows for treason to the British Crown. They knew, too, that their signatures could be brands that burned their homes, warrants that confiscated their farms, whips that lashed their wives and children into exile. But sign they did; some quietly, others boldly, a few with a jest, none with a whine or whimper. White-haired Stephen Hopkins from Rhode Island, whose hands trembled from a sickness, said as he scrawled his signature, "My hand may tremble but my heart does not!"

Fifty-five members of the Continental Congress ultimately signed the Declaration as engrossed on parchment on August 2, 1776; later, seven who were

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absent signed, followed by the signature of six who became members of the Congress shortly after July 4. Congress had resolved "to prevent traitors and spies from worming themselves amongst us, no person shall have a seat in Congress until he shall have signed the Declaration."

The Declaration appeared for the first time in a newspaper, the *Pennsylvania Evening Post* of Philadelphia, on Saturday, July 6, but created little or no excitement. John Dunlap, printer to Congress, had been ordered to print as quickly as possible carefully-proofed copies of the Declaration. Couriers were held in readiness to gallop over the roads with copies for the new independent states. Congress had resolved that the Declaration should be read to public assemblies, citizens committees, councils, militia, and that copies be delivered "to the ministers of each parish, of every denomination, to be read as soon as divine service is ended, on the first Lord's Day after they shall have received it," and that the clergymen should then give their copies to the clerk of the town council who was "required to record the same."

The first public celebration of the Declaration began in Philadelphia early on Monday, July 8, when a man was instructed to climb the State House tower to ring the bell – the Liberty Bell. The bells of other churches in the town quickly joined in, and all continued to ring the rest of that day and night. By noon, the yard back of the State House was packed with people come to hear the news. Jefferson, Franklin, and Hancock were among those on the platform when the Sheriff of Philadelphia became the first one publicly to proclaim the Declaration. The King's banners and arms were torn from all public places and dumped on the Commons for a bonfire. Later in the day, the Declaration was again read at the same spot, followed by volleys from the militia, cheers, speeches, toasts, fireworks, and illumination. Samuel Adams, in his room at Philadelphia that day, picked up hundreds of letters written to him by patriots over the years – letters that would incriminate many of his friends if they fell into enemy hands – and he tore the letters into shreds and tossed the confetti into the street to add to the festivities.

Meanwhile, couriers on horseback were speeding copies of the Declaration to all the new states, some communities of which did not get the news until a month later. An express rider on his way to General Washington's head-

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quarters in New York, stopped at New Brunswick, New Jersey, early Tuesday morning. He was sent on his way with a fresh horse when he showed a copy of the Declaration. The town council decided to read the document in front of the White Hall Tavern that same day "to overawe any disaffected Tories," and in the evening the document was proclaimed to the College of New Jersey, which was followed by volleys of musket fire and general celebration. Bridgeton, Perth Amboy, and Dover, New Jersey, soon followed with their own celebrations – volleys, feasting, parades, and bonfires.

At 6 p.m. on Tuesday, July 9, a hollow square was formed by a brigade of Washington's soldiers in New York. Washington sat on his horse within the square as an aide read the Declaration to the troops, within sight of the great British fleet in the harbor. At its conclusion soldiers and citizens proceeded to the Bowling Green and demolished a gilt equestrian statue of George III. The four thousand pounds of lead in it would make musket balls.

Wherever and whenever the news arrived, there were formal proclamations of the Declaration, usually followed by volleys of musket or cannon – thirteen was the magic number – then by parades, and often by thirteen toasts in rum or wine. Town and village officials were expected to swear to uphold the rights of the new nation, and all signs and symbols of the British crown were removed and destroyed. A Connecticut innkeeper was jailed for opposing the Declaration, and some of the newly born were named Independence, Washington, Adams, or Hancock. Yale University's future president, Ezra Stiles, noted in his diary that "the whole continent is all alive." Militant Boston received the stirring news July 18 and had elaborate ceremonies and celebrations. Worcester had joyously erupted four days earlier.

One week after Boston's festivities, Williamsburg, Virginia, proclaimed the Declaration with readings in front of the Capitol, the Court House, and the Palace in the presence of such notables as George Mason, Patrick Henry, and Richard Henry Lee. Many toasts were drunk that evening in the famous Raleigh Tavern. The document was read to excited crowds at Halifax, North Carolina. Charleston, South Carolina, made the occasion both solemn and gay, helped by people from all parts of the state who had come to town for the event. Savannah had a solemn funeral procession which was ended with the burial of George III in effigy, a minister

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"committing his existence to the ground." Many towns had Liberty Trees or Liberty Poles at which ceremonies were conducted. In Huntington, Long Island, they made an effigy of George III, lined it with gunpowder, wrapped it in the now repudiated flag, hung it on the Liberty Pole, ignited it, and howled with glee when George exploded with a bang.

One year later, Private Elijah Fisher, a member of George Washington's guard when the Commander-in-Chief was with his army at New Brunswick, New Jersey, recorded in his diary: "We Selebrated the Independence of America, the howl army parraded....the artillery Discharged thirteen Cannon. we gave three Chears. At Night his excelency and the gentlemen and Ladys had a Bawl at Head Quarters with grate Pompe."

Fifty years later, on July 4, 1826, only three signers of the Declaration of Independence survived: Thomas Jefferson, John Adams, and Charles Carroll of Carrollton. And at the close of that day only Carroll survived. Jefferson died shortly after noon at his home at Monticello, Virginia, at the age of eighty-three. Adams died later that day at his farmhouse outside Braintree, Massachusetts, at the age of ninety-one, saying at the end, "Jefferson still survives." That morning when Adams was told it was the Fourth of July, he said, "It's a great day – a good day."

• • •

EDITOR'S NOTE: For further reference to the men, the events, and the spirit of 1776, see the review by Edmund Opitz on page 63.

IDEAS ON LIBERTY

1776

WE HOLD these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable Rights, that among these are Life, Liberty and the pursuit of Happiness. That to secure these rights, Governments are instituted among Men, deriving their just powers from the consent of the governed. That whenever any Form of Government becomes destructive of these ends, it is the Right of the People to alter or to abolish it, and to institute new Government, laying its foundation on such principles and organizing its powers in such form, as to them shall seem most likely to effect their Safety and Happiness.

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The following exchange poses a question that is — and an answer that ought to be — of increasing concern to all who love life.

Seattle, Washington, November 9, 1958

Dear Professor Petro:

Your book, *The Labor Policy of the Free Society,*[1] has helped me make up my mind on the matter of compulsory unionism. This battle was recently fought in the State of Washington. Why we should have lost in the public forum on an issue of this importance is difficult to comprehend.

The decline in the importance of the individual seems to be in full swing. A minority of men and women in the union movement realize that their interests are not served by compulsory membership; but the will of the majority prevails. In discussions with friends, I have tried to show that the free society does not enslave anyone — that it serves all our interests best in the long pull. But their position is that compulsory unionism is necessary to prevent exploitation and to assure bargaining power in other respects. They point out what they regard as the hopeless position of the wheat farmer if he were exposed to the free market.

In the light of what happened in five of the six states which voted on voluntary unionism, do you now have misgivings in regard to your definition of the free society? Do you now feel that you and von Mises are out of date in your economic views? Do you feel that these are perhaps beautiful principles but that the world does not want them?

Very truly yours,

Lawrence Noonan

[1]New York: Ronald Press, $5.00. Also see page 16 for a review of Professor Petro's new book on the McClellan Committee hearings.

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New York, N. Y., November 14, 1958

Dear Mr. Noonan:

I am more than ever convinced that the free society is the only society proper to mankind and the goals of men. The collectivist trend can lead only to death and destruction, to a primitive and brutalizing end, not only of the finest and most elevated human aims, but also of humble peace and goodness. Dictation of the affairs of men by a ruling elite, no matter how selected, can bring about only such results. Realization of the best there is in men is possible only within a social structure built around the principles of full personal freedom: private property, freedom of contract, free markets, and law and order.

Whether or not these insights will ever prevail, presents a doubtful question. No mortal man is in a position to answer it, or ever will be. Preoccupation with it is therefore either foolish, as a waste of time and spiritual energy, or arrogantly presumptuous. The real problem for every man is whether or not he feels that personal freedom is the only possible or acceptable basis of life in society. If he feels that it is, he then faces the further problem: what shall I do about it? The answer depends upon one's own character, will, and inclination. One may choose any of the courses lying between total inaction and total commitment. One thing seems clear to me: Prevailing trends toward collectivism, a current defeat or even a series of defeats for the freedom principle, popular unenlightenment, or lack of interest – none of these has any bearing on whether or not one does or should favor freedom. He who loves life does not voluntarily relinquish it; he may not be able successfully to resist murder and destruction, but he should never confuse it with life, and will, in fact, not love life less because it looks as though he must lose it.

Sincerely yours,

Sylvester Petro

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FALSE SEPARATISM

WILLIAM H. PETERSON

AMONG many illuminating concepts picked up in Professor Lewis H. Haney's course at New York University in 1950 on the history of economic thought was one he called "false separatism." Professor Haney referred to the easy and frequently arbitrary divisions of economic activity economists are prone to make. Doubtless the divisions ease the job of rationalizing what's what and who's who in the economic scheme of things and hence lighten the load of the economist.

But Professor Haney was not one to swallow the blithe division. He criticized, for example, the cavalier manner with which economists of the macro-economic school divide the "gross national product" into the "public sector" and the "private sector," and many other "sectors."

"False separatism," as an idea, kept popping into mind while reading Sylvester Petro's masterful synthesis and analysis of the McClellan Committee labor-management hearings: *Power Unlimited – The Corruption of Union Leadership* (N.Y.: Ronald Press, 323 pp., $5.00). Professor Petro's book describes in concrete and oftentimes shocking detail how unwilling employees are organized "from the top" by stranger picketing and secondary boycotts, how psychological warfare and blatant physical force are employed in "organizing campaigns," how violence and the threat of violence take place under the name of collective bargaining.

Why Resort to Force?

Why, why, Professor Petro's reader is prone to ask as he reflects on page after page of the violence-strewn record of American trade unionism in the last generation. Why compulsion at all in the labor market place, if the

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market is but the peaceful process of buyers and sellers engaging in voluntary exchange of goods and services? The essence of the market is voluntarism, the exercise of free will, the social maximization of satisfactions, *peacefully*, practically spontaneously. A couple of boys swapping kites for yoyos constitutes a market. The swap is peaceful, and each boy is happier for the bargain. Contrast this with the animosity and vituperation that mar the organized labor market today.

So why the division, the separation – or to use a stronger word, the conflict – between buyers and sellers in the organized labor market? What is unique about this market as compared to the stock market, say, or the copper market, the clothespin market, the baby sitter market, or the Chinese laundry market? In virtually all markets, save for that of organized labor (and others where government intervention or price-fixing exists), exchanges proceed voluntarily and prices are freely established. No mass picketing, no shouts of "Scab!" no intimidation, no goon squads, no strikes, nobody parading up and down in front of Joe's Butcher Shop saying Joe's meat prices are too high or that Joe pays "starvation" rates for his beef and pork from the packer.

But, for some reason, sides are drawn between "labor" and "management" (or "capital") and hostilities begin. Is this a delayed realization of the Marxian interpretation of the class struggle? Or is it an implementation of "false separatism" that we see in the strained and oftentimes violent labor-management field?

Power Corrupts

Perhaps Professor Petro puts his finger on the real cause of the problem in the very title of his book, based as it is, on Lord Acton's sage observation that "power tends to corrupt and absolute power corrupts absolutely." In his study, Professor Petro points out that government, both advertently and inadvertently, has armed organized labor with special privileges granted to no other branch of society. Organized labor has won enforced monopolies at the national level and tacit exemption from obedience to the laws of private property and persons at the local level.

Such unlimited power has led to the inevitable corruption of the leadership of organized labor, not all union leadership to be sure, but much, far too much, of it. This then – privileged unlimited power – is the reason why the McClellan Committee uncovered the wholesale invasion of gangsters, extortionists, racketeers, hoodlums –

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and in the words of Senator Curtis, "all sorts of bad actors" – in the trade union movement.

And yet, as Dr. Petro points out, the obvious target of corrupt union leadership, so eloquently criticized in the halls of Congress, is not the logical place to search for "labor reform." Attacks on thugs, racketeers, and power-hungry union leaders miss the real point, says Dr. Petro. The ousting of a Dave Beck leads, inevitably, to the Jimmy Hoffas, and so on ad infinitum.

"Why the Worst Get on Top"

Temptation to corruption is the thing to remove. Unlimited power must be withdrawn. Responsibility must be restored. Rights of person and property must be reestablished and protected. Create situations of power and privilege and in the scramble to occupy them the worst elements in society are bound to win – for the reasons advanced by F. A. Hayek in the celebrated chapter "Why the Worst Get on Top" in his *The Road to Serfdom.*

To be more specific, the trouble with American labor-management relations is the enforced monopoly granted labor under the Taft-Hartley Act and the Wagner Act. Under these laws, a company *must* deal with a government-certified union and no other. In short, there is no competition among unions. One, and only one, union is certified to "represent" the workers at a particular company. Thus, by law, the XYZ union is "the *exclusive* bargaining agent" for the workers at the ABC corporation.

To be sure, the workers are supposed to have "democratically" elected the XYZ union at an NLRB election. But this in no way lessens the existence of enforced monopoly. Moreover, as is abundantly evidenced in the McClellan hearings, much of what goes on in the name of democracy in trade unionism makes a mockery of the word. How democratic is it, for example, when a worker *must* join a union to get or hold a job, and is permitted to join only the certified union with which the law permits the employer to deal? This is what a union shop or a closed shop means.

Enforced Monopoly

Enforced monopoly, then, is the taproot of the American labor-management problem. The free market for the American workingman has largely been placed out-of-bounds, save for some 19 states which have enacted "right-to-work" laws. Compulsion has become the rule for organized labor, compulsion sanctioned and encouraged by the government, compulsion drafted into a trade union

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strategy which eliminates the free market. Writes Professor Petro in this regard:

"[Unions] must in the first place compel all employees to join the union; they must in the second place compel all the employees to participate in their strikes, picketing, and boycotts; and they must in the third place, after their monopolistic conduct has created unemployment by pushing wages above the free-market level, use violence and coercion to keep the unemployed from bidding for jobs at lower rates than the unions have fixed."

The Market Is Misunderstood

Still, the question arises as to why the government has legalized, overtly or covertly, this apparatus of compulsion, why it has in effect encouraged the sharp division, the wide separation, of partners in production into hostile groups. The answer is, mainly, that there is a widespread misunderstanding of the efficacy of the free market.

In the popular mind, unorganized employees are weak, employers strong, and so the lopsided bargaining scale must be balanced. On the surface, the premise appears true, although history, logic, and contemporary evidence do not support it. Who are the real employers: companies or consumers? A few minutes of straight thinking about the problem make it plain that it is consumers who really hire workers and pay their wages. Companies are merely the intermediaries, the hirelings of society, or what Haney called the "social paymasters." If a company ceases to produce the goods people want at prices they can afford to pay, it goes out of business. Consumers in effect hire (and fire) entrepreneurs and set wages, which originate solely from production.

Yet, who are the consumers? Everybody. And, in numbers, consumers are overwhelmingly workers. Therefore, ironically, strikes, violence, attacks on labor-saving equipment, and all other phases of compulsion are labor's assaults on the income and well-being of labor – a nice case of social masochism.

. . . and Distrusted

In labor-management relations, the free market is, to put it mildly, distrusted, though not nearly so much on management's side. The free market is even accused of depressing wages, which is anything but the truth. The truth is that unions, for all their vast power, are powerless to increase over-all wages. The truth is that over-all wages can rise only with the increase of capital investment, and then only if the increase of

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capital investment is greater than the growth of the labor force.

Yet, such truths are unappreciated in the halls of government and in many other centers of influence – in most churches and schools, for example. Hence, the march of "false separatism" – wages vs. profits, labor vs. management, or, in Marxian terms, proletariat vs. bourgeoisie. Such induced hostility is misguided, misconstrued, and completely unwarranted.

As Sylvester Petro concludes in true libertarian spirit, only a return to the free market, to free and responsible trade unionism, can improve the situation. • • •

IDEAS ON LIBERTY

A Corresponding Duty

THERE IS A BEAUTIFUL NOTION afloat in our literature and in the minds of our people that men are born to certain "natural rights." If that were true, there would be something on earth which was got for nothing, and this world would not be the place it is at all. The fact is, that there is no right whatever inherited by man which has not an equivalent and corresponding duty by the side of it, as the price of it. The rights, advantages, capital, knowledge, and all other goods which we inherit from past generations have been won by the struggles and sufferings of past generations; and the fact that the race lives, though men die, and that the race can by heredity accumulate within some cycle its victories over Nature, is one of the facts which make civilization possible. The struggles of the race as a whole produce the possessions of the race as a whole. Something for nothing is not to be found on earth.

WILLIAM GRAHAM SUMNER,
What Social Classes Owe to Each Other

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THE CASE FOR PANHANDLING

LEONARD E. READ

OFTEN ENOUGH it is an alcoholic who sidles up to one on a sidewalk and pleads, "Buddy, can you spare a dime for a cup of coffee?" Occasionally, the panhandler shows real initiative, like the one who recently accosted me near New York City's Penn Station, "Buddy, could you gimme the fare to South Carolina?"

Panhandling is a pretty low-grade, demeaning trade into which people sometimes sink, a vocation of last resort. Yet, this type of begging has its relative merit: *Those importuned are allowed freedom of choice* – to be lenient or not to be lenient. Person-to-person begging has far less to condemn it than does the legalized, "federal-aid" type currently endorsed and widely employed by our country's social, intellectual, political, and commercial elite, as well as the not so elite! Let us test this startling assertion.

Los Angeles, or any other city, would, under the sidewalk variety of panhandling, place an advertisement in a Paducah newspaper – indeed, in papers all over the nation – asking alms:

Our sewerage system is in disrepair! Widows and orphans, rich and poor – from Hilo to Nome, from Bellingham to Key West, from Chula Vista to Bangor – give us, we pray, the fruits of your labor. We are not prepared to dispose of our own sewage. We no longer wish to stand on our hind legs. So, won't everyone lend a hand? Have mercy, for how else can weaklings like us survive?

Now, what is wrong with this procedure? Not much, except with the people who make such degrading acknowledgments and confessions of weakness. At least, every citizen in the nation would be free to choose how he would respond.

Would the citizens of Los Angeles or any other community, farmers or any other group – unhappy with their economic plight – resort to the panhandling principle in its pristine form? No, indeed! That would be too revolting.

But, behold! We have found a

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way to "ennoble" the panhandling principle and to remove all feelings of revulsion: Legalize the principle. Allow freedom of choice to no one. Bring the police power of government into play and coerce all citizens throughout the nation into financing the local sewerage system – whether they wish to do so or not.

Has legalization made the action any less degrading? Or restored manhood to the weaklings? There appears to be not a trace of mitigating evidence.

Sidewalk panhandling allows freedom of choice and causes no inflation. Nor do panhandlers injure the economy any more than do others who have retired from productive life. Legalized panhandling, on the other hand, allows no freedom of choice and is one of the principal causes of inflation and, thus, is destructive of the economy. Sidewalk panhandling is not nearly as bad as the legalized variety, this being the best case that can be made for panhandling on sidewalks. • • •

Reprints of this article are available at 1 cent each.

"Thank you, sir. Please move along."

SATURDAY REVIEW
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Some Fallacies of Foreign Aid

WILLIAM HENRY CHAMBERLIN

SPRING is open season on the hard-pressed American taxpayer for that annual raid that goes by the name of foreign aid. (The preferred official characterization is "mutual security.") The pattern of this raid is familiar. The Administration sets a figure (in this year a little short of $4 billion) and protests that the most disastrous consequences will follow if a penny less is appropriated.

On behalf of its program, it mobilizes the big guns of the State Department, the Pentagon, and other government departments and agencies. Congress – well aware of the widespread unpopularity of this program among constituents – listens a little skeptically, prunes a little here, clips this or that item, but ends by voting most of what has been requested. What has not been challenged as vigorously and effectively as it should be (although the Citizens Foreign Aid Committee has made a promising beginning in this direction) is a set of dogmatic assumptions which are supposed to justify lavish hand-outs to foreign governments. Among these assumptions are:

- That foreign aid saves foreign nations from "going communist."
- That it increases American security, prestige, and popularity.
- That it promotes international trade and prosperity and world peace.

These assumptions overlook certain grave disadvantages, both to givers and recipients, which seriously undermine the effectiveness of government-to-government subsidies. They also do not stand up to the test of practical experience.

The dispensing of foreign aid in the shape of money and materials given freely to foreign governments has become a major bureaucratic enterprise. It employed 450

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people in 1948. Ten years and $41 billion later this staff had grown to 12,000 directing 2,000 projects. In addition, some 9,000 persons are engaged in supervising the military assistance program, which has amounted to $23 billion.

Poor Plans Poorly Executed

There is an obvious yawning gap between the qualities necessary for successful administration of aid projects – often in countries which, in history, language, and customs, are extremely unfamiliar to most Americans – and the available personnel. An advisory group, headed by William H. Draper, Jr., former Undersecretary of the Army, which came out with a strong endorsement of foreign aid, and which was probably selected because most of its members are known to favor the idea, made this significant admission:

"We have not developed the well-trained corps of personnel required to carry out such a far-flung program with absolute efficiency. Some projects have been imperfectly conceived, inadequately planned, and poorly executed."

This seems to err considerably on the side of understatement. The defects pilloried in the novel, *The Ugly American,* were drawn from the life of American foreign missions, not made up in the authors' imagination. Among these defects are insensitiveness and ignorance in regard to local manners and customs, aloofness from the life of the people among whom the work is being carried out, and a tendency to live in self-created American ghettos as closely modeled on Peoria, Dubuque, and other American towns as possible. There are just not enough qualified people to go around for the efficient operation of a giveaway program in the neighborhood of $4 billion a year.

What can happen to your tax money and mine when administration is loose and slipshod is evident from this excerpt from the report of the House Committee on Government Operations about aid to Iran:

"United States aid and technical assistance programs in Iran which, between 1951 and 1956, totaled a quarter billion dollars, were administered in a loose, slipshod, and unbusinesslike manner... It is now impossible – with any accuracy – to tell what became of these funds."

Another example of "down the drain with the taxpayers' money" was the financing of an ultimately unsuccessful French colonial war in Indo-China to the tune of $745 million. After the military disaster at Dien Bien Phu, the French threw up the sponge and Indo-China was partitioned between a

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communist-ruled North and an anticommunist South. Only some $95 million of the $745 million was ever recovered.

The scandal about corrupt misuse of overlavish aid to the primitive state of Laos, adjoining Indo-China, is notorious, although the International Cooperation Administration was not very cooperative in furnishing congressional investigators with detailed information on the subject.

Even when no direct wrongdoing or culpable negligence is involved, there are serious psychological roadblocks in the way of effective American remolding of the economies, social customs, and daily lives of Oriental peoples. The missionary spirit, when it is a matter of unselfish individual dedication to a religious, educational, or philanthropic cause, is a fine element in the American heritage. But the missionary spirit, bureaucratized and supported by large appropriations of public funds, is something else again. Here is an excerpt from a recent report of Vermont C. Royster, editor of the *Wall Street Journal*, on a recent visit to Thailand, perhaps still better known as Siam:

"Consider that here is a country which, for all that it may be backward by American standards, has managed to get along for a thousand years without United States dollar aid or United States aid advisers. Its people are proud of their independence, their tradition, their own way of life, and are probably as successful in the pursuit of happiness as any people can be.

"Yet here come the Americans with a program which, when you look at it, would remake the country from one end to the other, from top to bottom. There is no area of Siamese life – schools, farms, business, language, homes, government, customs – left untouched in some fashion by the United States aid program.

"No one, be he a visitor here among the ancient temples and palaces or a stay-at-home reading about it, need be surprised that a program so conceived rubs many Siamese the wrong way. Certainly, the evidence of it is not hard to find . . . .

"One friendly Siamese, with a twinkle in his eye, put it to his American visitor this way: 'I suppose we ought to be glad that you are helping us, but we do wish you wouldn't help us so hard.' "

Backfire in Bolivia

The reaction to American largess is sometimes much more negative than this tepid, good-natured criticism. Consider the case of Bolivia. This land-locked South American country, located on the high Andean plateau, has a long

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history of economic poverty (much of the population is composed of primitive Indians) and political disturbance. In 1952, Bolivia experienced a left-wing revolution and has been in economic hot water ever since, despite United States handouts to the radical regime in power to the amount of $129 million – $43 to every Bolivian.

Two measures of the revolutionary government were nationalization of the tin mines, principal source of Bolivia's wealth, and splitting up the large estates to provide small holdings for the Indians. Neither has worked well in terms of productivity. There have been continual, sometimes violent, strikes in the tin mines. And the Indian small proprietors, whose wants are few and simple, show a tendency to knock off work as soon as these are satisfied.

The climax was reached in Bolivia when – because an American weekly magazine published an unfavorable picture of the economic situation and quoted an unidentified American diplomat as jokingly suggesting that Bolivia and its problems should be divided among its neighbors – mobs went on the warpath in La Paz, the capital, and other Bolivian towns. The United States Embassy was stoned. Diplomatic cars were burned. American citizens were evacuated to the suburbs for better protection. And the Bolivian government, whose members should have known that the United States government is not responsible for comment in American publications, filed formal protests with the State Department.

Questionable Diplomacy

This is not the first case when violent anti-American demonstrations have followed large American subsidies. Part of the fault, one suspects, may rest with the new-fangled timid pussyfooting reaction to such outrages. There was a time when stiff diplomatic action would have followed the desecration of the American flag, attacks by lawless mobs on American official representatives and American official buildings. Now, all too often, the reaction is a nervous self-questioning as to whether our foreign aid program to the offending country was big enough, whether we should not think out some new handouts. That is not the road to friendship and respect.

A pointed comment on the dismal failure of our Bolivian policy is to be found in a letter published in *Time* by Roger A. Freeman, who was fiscal adviser to the Bolivian government on a special United States mission in 1956-57:

"I returned with the conviction that a continuation of United

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States aid policies would lead to further economic and social deterioration and disaster. . . . The real power is in the hands of the armed and communist-led mine workers unions who will not permit the steps necessary to economic recovery. United States aid policy has, for the past six years, been strengthening their hand."

Bribing the Beggar

Whatever may be the answer to Bolivia's economic and social problems, lavish American aid has accomplished rather less than nothing. It has not improved American prestige or popularity, rather the reverse. And it has not brought political or economic stabilization to Bolivia.

If the United States did not exist or was not committed by its government to expensive, far-reaching, and indefinite programs of subsidizing the economies of foreign lands, there is no reason to assume that underdeveloped countries would vanish from the map, cease to exist, or "go communist." They might very well be in a stronger and healthier position if they were obliged to face their problems realistically, without the constant hope that America would bail them out of all their difficulties.

A distinctly negative by-product of the too easy assumption that a plentiful transfusion of dollars is an easy way to check the spread of communism is the temptation to try to exert blackmail. This occurs when the representative of Backwardarea lets it be known – with more or less subtlety – that, unless his government receives a generous handout from the United States Treasury, said government will turn to Moscow. A nation whose rulers are cynically prepared to sell out to the highest bidder is not worth buying, if only because there can be no assurance that it will stay bought.

Gives a Wrong Impression

An incident that occurred in the spring of 1958 shows the dangers and pitfalls of undiscriminating handouts. A representative of the small country of Lebanon, which had already received $38 million in economic help, along with some military aid, announced that this was not good enough. The United States must provide $170 million in the next six years – or else. In the event that Uncle Sam did not sign on the dotted line, Lebanon would deliver a truly crushing blow. It would refuse American aid altogether!

Something must have gone astray with our diplomacy when a foreign government can get the idea that it is conferring a favor by accepting the largess of the

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American taxpayer. One wishes we had more diplomats like the representative of a private business firm who, when questioned by reporters in a Near Eastern country as to why the United States was not giving some additional requested aid, gave in substance the following friendly but frank reply:

"Do you really understand who is paying for this foreign aid? It isn't the American government, which you think of as being so incredibly rich that a few hundred million dollars makes no difference. It is average American citizens like my son and my son-in-law, whose families can't have meat every day, who must scrimp and save in many ways in order to meet the taxes which are the source of the aid."

The businessman reports that his remarks produced a sobering impression. And the Austrian government, which, like other European countries, has long been in a position to stand on its own feet, acknowledged in the dedication of a report on the Marshall Plan aid its indebtedness to the American taxpayer. Too often, however, it is assumed that money grows on trees in the United States; and this attitude in foreign countries is encouraged by the more reckless advocates of unlimited foreign aid among our politicians and publicists.

Constructive Suggestions

It is a good thing that the advocates of foreign aid no longer have the field to themselves, that organizations like the Citizens Foreign Aid Committee are bringing to attention the argument against this substantial item in the national budget. The principal concrete suggestions of this organization are as follows:

- That our traditional generous private charity and governmental grants to relieve disaster be continued.
- That in countries which we are morally obligated to defend and which are directly threatened by Red aggression military assistance – for the time being – should be continued, but on a realistic basis.
- That until foreign aid is terminated, the Congress take steps properly to exercise close supervision and control over the manner in which all foreign aid funds are being spent.
- That the $3.9 billion requested by the President for the fiscal year 1960 be reduced $2 billion, and that each year thereafter foreign aid be substantially reduced until terminated within three years.

Foreign aid is no adequate substitute for self-help. A nation, like an individual, stands straightest when it stands on its own feet.

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the Dollar Scarcity

or—THE UNIVERSAL POULTICE

It was a summer evening
At story-telling time.
Old Kaspar settled in his chair
And sipped his rum-and-lime,
While Peterkin and Wilhelmine
Turned on the television screen.

They saw a dark and stormy coast
Where fog banks whirled and spun;
And multitudes, with faces turned
Toward the setting sun,
Stood holding out their pallid hands
Or fell in rows upon the sands.

The children turned the vision off
And ran to Kaspar's side.
"Now tell us what 'twas all about,"
They both together cried;
"Now tell us what they did, and where,
And why those people fainted there!"

"It was the Dollar Scarcity,"
Said Kaspar with a sigh;
"For lack of dollars in their hands
Those people faint and die;
In palace ground or peasant shack
It strikes them down like Yellow Jack."

"Why don't we give them dollars, then?"
Cried little Wilhelmine.
"We give them many billions, dear,
Of dollars long and green;
But still they wait on every shore
In hope that we will give them more."

"How will it end?" cried Peterkin.
"Will all of them be dead?"
Old Kaspar took a sip of rum
And shook his snowy head;
"We only hope the dollars last
Until the dreadful plague is past."

H. P. B. JENKINS
Economist at Fayetteville, Arkansas

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A philosopher interested in the area of business and ethics asks...

What is Virtue?

DAVID H. NEWHALL

AS MAN-MADE SATELLITES move around the Earth and head off toward the Moon, and as our nation proceeds with its efforts to produce more and better scientists, we may do well to remind ourselves once again that the need for good men as well as good scientists continues, and that this, too, is a basic objective of our educational system and our national life. If we are to produce good men, we should be as clear as possible about what constitutes this goodness. What is good character? Socrates, living in a situation not entirely unlike our own, used to wander around Athens asking this question. He phrased it, "What is virtue?" It was not a very popular question then – Socrates was executed for his persistence, and it is not a very popular question now – we would prefer to leave it to someone else. Nevertheless, Socrates may have been right in thinking that it was a question of central importance, and perhaps we are justified at present in making a stab at it. We can hardly be intelligent and effective in our efforts to produce good people if we do not understand the nature of our objective. This essay makes six assertions about virtue and proposes that awareness of these aspects of virtue is of considerable importance to us as we attempt to diagnose the nature and extent of our contemporary sickness.

1. *Virtue involves asking the right question.* The right question is, "What ought I to do?" This question is not asked to lead to a discussion of moral theory; it is asked with a view to determining action. It is to be answered by the selection of an act, not by the formulation of a standard. This question represents the adoption of the moral point of view, without which a person may be rich or popular or influential or respectable – but not virtuous. Virtue thus requires from the beginning

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a moral orientation that will exhibit itself in the response a person makes to each situation that confronts him. If this orientation is built into human nature, so much the better; if it is not, then we must commit ourselves to it. And this may not be entirely easy. People are persecuted as much for the questions they ask as for the answers they offer. We have learned that one does not get the right sort of answer unless he asks the right sort of question; but it is probably wrong questions rather than wrong answers which lead us astray.

We need not quibble over words. The question might be phrased, "What is the best thing for me to do?" or "Where is the good in this situation?" rather than in the Kantian language of obligation which is used here. The important point is that the question institutes a search for the valuable, the worth-while, the better, in a specific situation. It represents a normative orientation on the part of the person who asks it. Without this orientation, virtue is already forfeit because the individual has failed, either willfully or otherwise, to take the stance of a moral agent. He is not aimed in the direction of virtue.

There are other questions that come to dominate our lives. For example, "What will be the easiest way out of this mess?" or "What is the way to have the most fun?" or "What is the way to secure power?" or "What is the way to make the most money out of this state of affairs?" Each of these questions defines a point of view, and there are occasions when they are appropriate leads to follow; but pursuing any one of them makes no contribution to virtue unless the person who asks it has already asked whether or not he ought to discover the easiest, the gayest, the Machiavellian, or the financially shrewd way through and out of a situation. The virtuous man is morally oriented. This means that his interest in these other questions is subordinate to his concern to discover what he *ought* to do. His moral orientation does not arbitrarily exclude them; rather, it places them in perspective. We might say that his moral orientation provides him with the perspective for pursuing these other questions when they ought to be pursued. They may be relevant, but they are not ultimate.

This seems to make it clear that the moral question is not the only question. There are other questions a person must ask. It would be silly to go through life with a single question. But it is not silly to select a single question in order to define the point of view from which the others shall

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be approached. One is reminded of Aristotle's doctrine that the man of moral virtue must act and feel in the right way, at the right time, with the right motive, toward the right people, and to the right extent. (*Nichomachean Ethics.*) Thus, says Aristotle, "It is no easy task to be good . . . wherefore goodness is both rare and laudable and noble."

Clearly, it is not enough merely to ask the right question.

2. *Virtue involves reaching a responsive answer.* The great Socratic affirmation was that virtue is knowledge, and we agree with this to the extent of insisting upon the presence of a cognitive factor in virtue. The virtuous man must know what he is doing. But we are not saying, as Socrates was, that knowledge is sufficient for virtue; we are saying that it is essential but not by itself sufficient. And we are proceeding with modern epistemological caution in using the term "responsible answer" rather than the trouble-strewn term "knowledge." Nevertheless, the responsible answer we seek is far from arbitrary. It will not be infallible or absolute, but it will represent moral insight into the moral requirements of a given situation. It is not any old knowledge that constitutes virtue in the Socratic sense; neither is it any old opinion that constitutes moral insight in our sense.

As Kant has pointed out (*Critique of Practical Reason*), the virtuous man does not have to be able to justify his insight in terms of a well-developed ethical theory – that is the task of philosophers – but he must possess the insight nonetheless and he must be able to make a responsible choice of act in a given situation. We will perhaps be gentle in imposing blame upon a person who is incapable of moral insight, but a person does not have to be blameworthy in order to fail in virtue. A blunderer is a blunderer, and, though he may be dealt with kindly until you are convinced that he should have achieved some knowledge of his own limitations, he lacks an essential ingredient of virtue – you do not trust him.

Our present concern does not require us to analyze this failure of moral insight. It may be due to failure to observe facts, failure to draw correct inferences, or some uniquely moral failure. This does not matter. Our point is that some people persistently fail to come up with a responsible answer to the question, "What ought I to do?" They are unable to discern what is relevant.

At this point it is important to distinguish clearly between the virtuous man and the ethical theo-

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rist, lest we appear to be transforming the former into the latter. In a sense, their point of departure is the same: both respond to the normative orientation. The virtuous man, however, proceeds to answer the question in practical terms: *"This* is what I ought to do!" The ethical theorist proceeds to render explicit the meaning of the terms of the question and to articulate and criticize various standards which might be used as practical guides in the discovery of what one ought to do. Moral insight does not have to wait for ethical theory. Ethical theory develops by reflection upon moral insight; and if it can subsequently deepen and stabilize the insight, so much the better. Our present topic, which is a scrap of ethical theory, leads us to stress the movement of thought which leads the questioning moral agent to the selection of an act to be performed, not that which leads to the search for a moral standard.

3. *Virtue involves the will or determination to act in accordance with what one believes to be right.* We are familiar with the person who asks the right question and consistently comes up with a wrong answer. We are also familiar with the person who seems to have a sound answer to a moral problem but fails to translate it into action. He lacks what is ordinarily called will or determination. Sooner or later, as the case may be, virtue requires action. Virtue is incompatible with pure spectatorship no matter how subtle and discerning this spectatorship may be. Even the blunderer commands a kind of admiration at this point. His lack of insight is deplorable, and what he does may be disastrous, but his will to act is awe-inspiring. We are likely to interfere with his action, but our basic task is to sharpen his insight, not weaken his will. A common word for this aspect of virtue is *guts.* Virtue involves guts, the courage to see through in action the dictates of moral insight. Positively, this is the will to act; negatively, this is the ability to resist temptation.

The struggle to resist temptation is very likely in part a struggle for deeper insight, yet Paul's description of the situation (Romans 7: 15-20) seems to have wide application in human experience. He holds that we frequently know perfectly well what we should do and yet we do something else. The problem here is not one of *knowing* what ought to be done. It is a problem of *doing* it. Our wills are weak or evil or divided. Against this background the struggle to resist temptation emerges clearly. This struggle pre-

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supposes a conviction concerning what ought to be done. Without this there would be nothing to struggle with, and the only struggle would be a struggle for knowledge – call it a struggle with ignorance if you wish.

Of course, to the extent that a person is virtuous, he will possess the kind of character that enables him to resist temptation without a major skirmish with each Charybdis, and he may even have ceased to feel certain temptations. But this moral security represents the triumph of virtue over temptation; it does not entitle us to eliminate will as an essential ingredient of virtue. The will is there, although its presence is no longer conspicuous.

We see, so far, that virtue requires a person to ask the right question, to reach a responsible answer, and to manifest determination to do what he has found to be right. These assertions cover most of what we ordinarily look for in a virtuous person, but there is something extremely important to be added.

4. *Virtue involves commitment.* Commitment is not a matter of knowing what to do, nor entirely a matter of doing it. Commitment, or the lack of it, is revealed in the kind of relationship that exists between a person and what he does. We might ask, "Was his heart in it?" It is at this point that Jean-Paul Sartre makes a significant contribution. He finds the whole of virtue in this one aspect of it. His writings deny that there is any basis for a responsible answer to the question, "What ought I to do?" – with this we need not agree – but we can nevertheless learn something about commitment from him. The virtuous man is dedicated to his action. He may *find* it objectively, but he does not *do* it in the same mode. He does it subjectively; it is *his* action. He is not playing a part assigned to him by someone or something else, as Stoic literature suggests. His conduct is his contribution, his very own; it flows from him and he is its autonomous source. In a sense, his conduct is an extension of himself; he transcends himself in and through his conduct, so that no clear line of demarcation between himself and what he does remains.

Commitment also involves acknowledgment. The virtuous man acknowledges his conduct, not merely by admitting that he is its immediate causal source, but in a much stronger way. It is as if he were to say: "There is my act. I have chosen it, willed it, done it. You may look at it and associate it with me. I am responsible for it."

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This does not mean that a man is expected always to like what he is doing, nor is he expected to value each act as an end in itself. Our heart may be in unpleasant activity because we believe in it, not because we like it; and life has a way of dividing into means and ends, so that our commitment to an act may be commitment to that act, not as an end, but as a means to an end to which we are committed.

These points are powerfully illustrated in Sartre's play, *The Flies*. First we see a vivid picture of the breakdown of this aspect of virtue. Orestes' tutor, an intellectual and an uncommitted man, speaks:

> And what of your culture, Lord Orestes? What of that? All that wise lore I culled for you with loving care, like a bouquet, matching the fruits of my knowledge with the finest flowers of my experience? Did I not, from the very first, set you a-reading all the books there are, so as to make clear to you the infinite diversity of men's opinions? And did I not remind you, time and again, how variable are human creeds and customs? So, along with youth, good looks, and wealth, you have the wisdom of far riper years; your mind is free from prejudice and superstition; you have no family ties, no religion, no calling, you are free to turn your hand to anything. But you know better than to commit yourself – and there lies your strength.

Orestes does not follow this advice. Not only does he act, but, speaking to his sister, Electra, he clearly defines his relation to his act:

> I have done *my* deed, Electra, and that deed was good. I shall bear it on my shoulders as a carrier at a ferry carries the traveler to the farther bank. And when I have brought it to the farther bank, I shall take stock of it. The heavier it is to carry, the better pleased I shall be; for that burden is my freedom. Only yesterday I walked the earth haphazard; thousands of roads I tramped that brought me nowhere, for they were other men's roads. Yes, I tried them all; the haulers' tracks along the riverside, the mule-paths in the mountains, and the broad, flagged highways of the charioteers. But none of these was mine. Today I have one path only, and heaven knows where it leads. But it is *my* path.

It would be rash to say that this is the whole of virtue, but surely this is part of what we mean when we ascribe virtue to a person. Integrity requires this sort of relationship between a person and his acts.

There is a difference between the person who meets the four requirements of virtue which have been discussed, but manages to do so only by keeping his teeth clenched, his lips tight, and his visage grim – and the person who manifests virtue with a joyfulness

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that is both contagious and inspiring. The former is not to be disparaged. He may have ulcers but he has accomplished a great deal. You can count on him. He will be virtuous if it kills him (and his attitude frequently suggests that he expects this to happen at any moment). The famous lines of William Ernest Henley's "Invictus" exhibit this grim virtue. And a little imagination may enable us to suppose that the elder brother in the parable of the prodigal son was such a person. But the latter is the better man. He is not blind to the hazards, but he has learned to find joy as he goes about his duty. He may even have ceased to think in terms of duty as opposed to desire, so that he is one man in a sense in which most of us are not. Thus –

5. *Virtue is enhanced by joy.* A person may come to love his duty and find satisfaction and delight in doing it. This joyfulness shines through the lives of some people even when the going is rough. We see it in Socrates in the midst of the serious business of his trial and subsequent days in prison. We see it in St. Francis, quite compatible with his life of voluntary poverty. We see it in the later years of Gandhi, even during the painful moments of his fasting, to say nothing of the easier moments of his life. These illustrations should be sufficient to show that there is a difference between joy and fun. To say that joy enhances virtue is not to identify virtue with happiness in the popular sense nor to revert to the view which makes fun central.

These people, and others like them, are the *saints* of our world. This designation stretches the term considerably beyond its canonical usage, but joyfulness in virtue seems important enough and rare enough to warrant this extended meaning. At the same time, we might rescue another term from limited usage and label as *puritans* those steadfast souls who respect duty but find no joy in it.

Finally, to remind us that virtue is not cultivated and does not exist in a psychophysical vacuum, we assert that –

6. *Virtue involves getting enough sleep.* Obviously, sleep is not virtue, nor do we mean to insist literally that sleep is an essential ingredient. The assertion is made as a reminder that without sleep the several ingredients of virtue are hard to develop and difficult to maintain. Many potentially good men have failed for lack of sleep, that is, for lack of concern for their physical and psychological well-being, without

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which one may lack the alertness to ask the right question, the sharpness to see the answer, the determination to act, or the staying power that may be required.

It would be unwise to claim too much for the preceding discussion. It is a point of departure for a theory of virtue rather than a completed analysis, and much, indeed, nearly everything, remains to be said about the relations between the six aspects that have been mentioned. But this approach does have the advantage of enabling us to focus attention upon different aspects of good character and thereby locate specific areas of breakdown and specific techniques for recovery and development.

Many people are not morally oriented. Their lives are organized in some other way. It is easy to confirm, for example, the widespread occurrence of Erich Fromm's "marketing orientation" (*Man for Himself*), whose defining question we may phrase as "What must I do in order to be in demand?" or "How can I be as you desire me?" These people are interested in being marketable packages rather than moral agents. There are also many people who are morally oriented, that is, they ask the right question; but they are honestly confused and painfully unable to arrive at answers satisfactory even to themselves. The toughest of these keep on searching; others, unable to endure the anxieties of accelerated social change, live aimlessly and meaninglessly. The will to act is not in short supply – everywhere people are going places and doing things – but when we come to commitment, we find that a powerful diagnosis of our contemporary sickness focuses at this point.

We are charged with *alienation*. Erich Fromm writes:

> Man does not experience himself as the active bearer of his own powers and richness, but as an impoverished "thing" dependent on powers outside of himself, unto whom he has projected his living substance. (*The Sane Society*)

An alienated person is incapable of commitment. Fromm charges that alienation pervades every aspect of our lives, our work, our play, our social and economic relations, and our relations to ourselves. Thus he explains how we can scramble for fun but live without joy, how we can be depressed and bored in the midst of pleasure.

The diagnosis need not continue. If Socrates was correct in thinking that the cultivation of virtue is the proper business of man, our task is clear – and we have much to do. • • •

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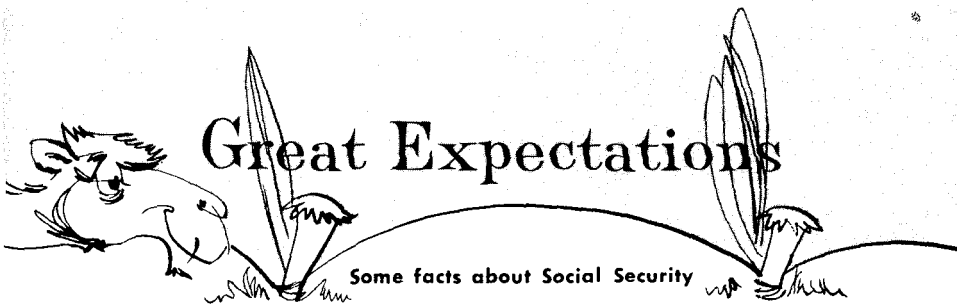

W. RULON WILLIAMSON

THE RECENT average increase of about 7 per cent in monthly benefit payments to more than 12 million persons under the federal program officially designated as Old Age and Survivors Insurance is another step taken by the camel into the "social security" tent. Over the years the camel has been deliberate in following his head into the tent, but he is relentlessly moving in. The tax burden has increased and the program broadened and liberalized tremendously.

In 1937, the first year of operation of the system now known as OASI, the income from the tax was $500 million, and the outgo only $1 million.

In 1958, the Social Security tax and interest payments amounted to $8.1 billion, and the outgo $8.6 billion.

The first year's income was 1/16th of the 22nd year's income, and the first year's outgo was 1/8600th of the 22nd year's outgo.

By 1950, the outgo had reached 1,000 times the outgo of 1937, while 60 per cent of tax collected was added to the Trust Fund.

In 1958, the Social Security tax receipts were six times those of 1950, but 1958 was the second year in succession when the Social Security taxes plus the interest on the reserve together were less than the outgo for benefits and administrative costs.

In the early years of the program the Social Security tax collections above the outgo requirements were mighty reassuring and averaged a billion dollars a year for the first 22 years. This Trust Fund of $22 billion at the end of 1958 included cash of $1 billion and funded interest-bearing federal debt of $21 billion, or approximately 7 per cent of the total federal debt.

The 12 million beneficiaries of the 1958 year end were receiving $700 million a month, and they could anticipate aggregate future

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receipts of $70 billion, all accrued by completed service. Comparing the Trust Fund of $22 billion with the potential aggregate payments to existing claimants, the Trust Fund is less than one-third of such payments.

Furthermore, there are 100 million nonretired covered individuals who look forward to later benefit status for themselves, dependents, and survivors. It is a calculated guess-estimate that their past service accrual could be over $600 billion. So, against this total past service accrual of $670 billion, the Trust Fund bulks some 3 per cent. Big as $22 billion is, against demands of this magnitude it is just peanuts.

We cannot know to what gigantic sum these payments will hereafter expand. But we do know that in 1955 the outgo was some 6 times the 1935 prospectus for 1955; we do know that Congress has expanded the system 5 times in the 9 year period of 1950-1958; we do know that the 86th Congress gives advance evidence of even less financial prudence than recent former Congresses; we do know that the already determined uptrend in benefits is so high as to call for an advance in tax rates from 4½ per cent in 1958 to 8½ per cent in 1969; and we do know that the taxable wage base has advanced 60 per cent from 1937 to 1959.

It will become steadily clearer that OASI taxpayers contribute the funds for the current beneficiary classes rather than for themselves and their dependents, and thus the benefits become more doles to the recipients than anything else. • • •

IDEAS ON LIBERTY

Politically Dependent

UNLIKE PRIVATE insurance, the protection afforded by the social security program rests upon the willingness and *ability* of government officials to authorize future appropriations from future tax revenue. The so-called social security fund has not been invested in productive property. In place of the money which was collected to go into the fund, there are receipts saying in effect that the government used that money to meet current operating expenses of one kind or another. The government bonds which are said to constitute a social security fund can only be redeemed in valuable goods or services as any other government bonds are redeemed – by future levies against the private property and productive efforts of individuals. Who can say now what the real value of a government bond will be to the next generation of taxpayers who may be asked to redeem it in goods and services?

PAUL L. POIROT, *Social Security*

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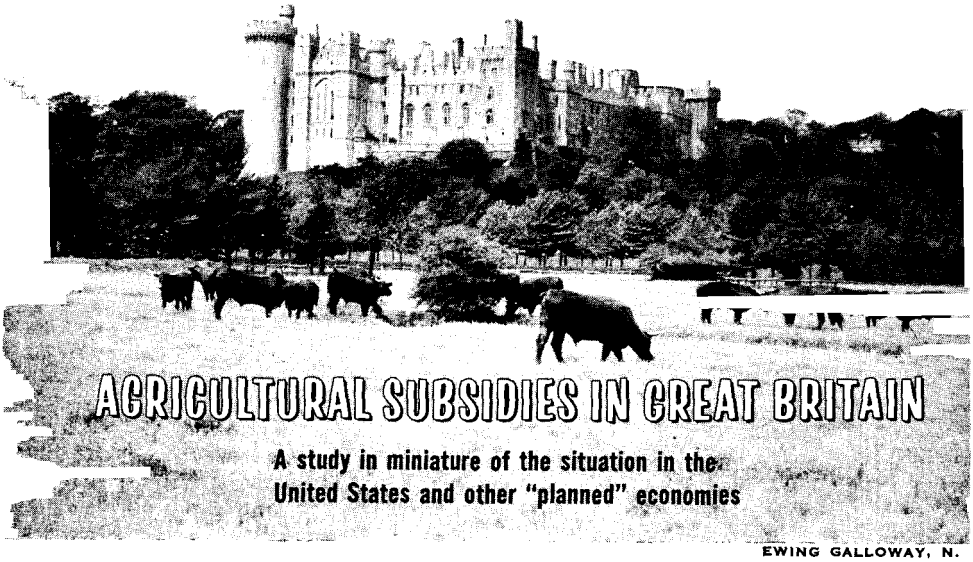

AGRICULTURAL SUBSIDIES IN GREAT BRITAIN

A study in miniature of the situation in the United States and other "planned" economies

EWING GALLOWAY, N.

GEORGE WINDER

MANY sectional interests in Great Britain believe it to their advantage that agriculture receive large subsidies from the government. The present system of state guaranteed prices for nearly all agricultural products is constantly extolled from platform and press. But the British taxpayer, who undoubtedly pays the cost of the system, has no paid band of publicity experts to express his views.

The purpose of this article is to break that silence and express a developing public opposition to agricultural subsidies.

In the accounting year 1956-57, it cost the British taxpayer $655,200,000 to subsidize agriculture, a sum more than enough to pay the whole of the agricultural wages bill. Had this money been used instead to reduce the government's annual budget deficit, there need not have been the inflation of the British currency which has deprived provident classes of the community of nearly 50 per cent of the value of their savings since World War II. As there are only some 500,000 farms in Great Britain, the subsidy averages $1,310 per farm.

Of the total subsidy, $199 million has been paid in direct grants to farmers for such work as plowing and drainage and application of fertilizer, while the balance has been paid to make up the deficiency between the price received

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by the farmer for his products on the market and the price guaranteed by the government.

Every year, representatives of the Farmers Union and of the Ministry of Agriculture meet to decide upon guaranteed prices for farm products for the ensuing twelve months. The difference between the market price and the guaranteed price is distributed through dealers who handle the farmer's products. This distribution is simplified by the fact that the majority of Britain's farm products are now sold through state-created Marketing Boards, which act as monopoly dealers in the product they control.

It is sometimes claimed that agricultural subsidies are not in reality a gift to the farmer but to the consumer, who, as a result, obtains food at a reduced price. In a country which has a closed economy this argument might be difficult to refute, as no rival commodity would exist to act as a standard for comparison. But in Great Britain, where nearly half the food is imported, the price of the imported article is the deciding factor in all food prices, and the subsidies paid to the farmer have rarely, if ever, caused his products to be marketed at less than imported prices.

For example, the price of wheat paid by millers this winter for both imported and home-produced wheat was $2.80 per hundredweight. When the deficiency payment was added, the guaranteed price received by the farmer was $3.98. There can be no pretense here that the subsidy reduced the price of wheat to the millers, for that was governed almost completely by the price of the imported commodity.

Home-produced meat, because of its reputation for excellence, always realizes a premium over imported meat, but here again the large quantity imported from the Dominions and the Argentine is the deciding factor in the price at which meat is sold to the public. In 1956-57, the deficiency payment for meat was $209 million.

The Milk-Marketing Board

Fresh milk is the one important farm product in Great Britain which does not face competition from abroad. All milk must pass through the Milk Marketing Board, which has the power to fix all retail prices. In 1956-57, in addition to a subsidy for milk sold at reduced prices for welfare purposes, the government paid $62 million to the Board to enable it to increase the farmers' returns.

According to quality, farmers all receive through the Milk Board approximately the same price for their milk in whatever part of the

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country they live and no matter for what purpose their milk is used. The effect has been to stimulate milk production in those parts of the country which formerly had no dairy herds, with the result that Great Britain has now an excessive supply of milk.

The only profitable outlet for milk in Great Britain is its use for consumption in liquid form; the balance has to be sold, at less than the cost of production, for manufacture into dried milk, cheese, butter, and the like.

Fourteen per cent of the milk used for liquid consumption is sold at a loss for welfare purposes under "National Health" and "Milk in School" schemes, but the government compensates the Milk Board for this at a cost of some $126 million per year, an amount not included in the total farm subsidy mentioned at the beginning of this article.

The money received by the Board for milk sold at a profit for consumption in liquid form is now pooled with that received for milk sold at a loss for manufacturing purposes, and an average or pool price – which includes the government subsidy – is paid to all farmers.

One result of this is that those farmers who live in the eastern part of Great Britain, near the great towns where their milk is sold at top prices, find themselves subsidizing those farmers who live in Wales, or in remote parts of the West of England, whose milk can only be sold at a loss for manufacturing purposes. The final outcome of this process of encouraging ever-growing supplies which must be sold at a loss is difficult to foresee.

Production Controls

In the case of two farm commodities, the government has solved the problem of increased subsidies simply by restricting production. For example, only some 1,100 farmers are allowed to grow hops in Great Britain, and each has an acreage quota which he must not exceed. The result is that the supply of hops is kept down and their price up, so that no guarantee or subsidy is needed. It is virtually impossible for new growers to obtain a quota.

In the case of potatoes, growers are given an acreage quota based on their average area under potatoes in the years 1951-53. The Potato Board has the power to increase or decrease this quota, and so control the quantity grown. This enables it to ensure what it considers a satisfactory price and saves the government the cost of a subsidy. It also causes the consumer to be saddled with excessive prices.

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Eggs afford us another example of the difficulties which arise under a system of guaranteed prices. A farmer is permitted to sell eggs at the farm gate, or, under special license, to retailers, but to enjoy the subsidy the eggs must pass through licensed packing stations. There can be no doubt that the subsidized price received over the last few years has greatly stimulated egg production, and surplus supplies now occur. Everyone with a little land seems to be going in for a deep-litter poultry shed.

In the early spring of last year, eggs for which the farmer was receiving the guaranteed price of 60 cents a dozen from his packing station were being sold in the shops at 35 cents – the government "deficiency" payment making up the difference.

These excessive supplies actually caused Great Britain to become, for the first time, an exporter of eggs. They were dumped in Italy and Germany at 28 cents a dozen. Denmark complained that this dumping was destroying her long-established export trade. This year, as a result, the export of subsidized eggs has been forbidden by law. One argument that helped to pass the law was that the British people were being taxed to subsidize the eggs consumed by the Germans.

For many years Great Britain has been an importer of eggs, but the growing subsidized production is, of course, destroying this trade with countries such as Australia and Denmark. The effect is that they have reduced supplies of British currency and must reduce their importation of manufactured goods from Great Britain. The egg subsidy, which reached $92 million in 1956-57, is undoubtedly damaging that overseas trade which is the very basis of Great Britain's prosperity. This is one of the consequences of subsidies which legislators invariably overlook in their anxiety to help some sectional pressure group.

Distorted Farming Operations

The system of agricultural subsidies not only causes dairy farms to be established in unsuitable parts of the country but is also distorting the whole development of British farming. Great Britain's great natural resource is an ample supply of excellent grass which enables her to produce some of the finest cattle and sheep in the world. She is entirely unsuited to modern methods of grain production. Before the war, her animal husbandry was expanding rapidly. Her grain production was declining, except in a few particularly suitable parts of the country, such

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as East Anglia. These were undoubtedly the most profitable lines along which British agriculture could develop.

The present system, however, has reversed this development, so that much land which was formerly in grass has been plowed for grain. This emphasis on arable farming has helped the larger farmers rather than the small man who is generally represented as the man the taxpayer needs to help. The large farmer who enjoys so great a percentage of the government aid has a higher standard of living than most of those who are compelled to pay the subsidies he receives.

The "National Defense" Argument

One argument often used in Great Britain in favor of agricultural subsidies is that, in the event of war, the country has to depend very largely on home-grown food. It is claimed that, as Great Britain requires so much grain during times of war, it is necessary to keep her arable farming going by means of subsidies during times of peace. The truth, however, is that grain is the great robber of fertility. During the last war, when the supply of fertilizer was greatly reduced, it was found that grassland that had not been plowed for years gave fair harvests of grain without the aid of fertilizer, whereas fields that had been plowed even a few years before had lost a great part of their fertility.

The importation of grain also requires the use of a large number of ships. One of the results of the present emphasis on grain production will be that, if war does break out, and the atom bomb does not settle the dispute at once, Great Britain will have fewer fertile fields and fewer ships than she had in 1939. The danger of future wars is not a justification of subsidies, but an additional reason why the present system should be abandoned.

Great Britain has long ceased to be an independent economic unit. Throughout the nineteenth century, and for a considerable part of this, she has been developing what may be called an oceanic economy. Her Dominions and the New World produce a great part of her food.

Great Britain, with her small farms, is almost completely unsuited to arable production, but her rich grassland fits admirably into the system of interlocking Dominion and home farming. The present subsidies, by compelling her to put so much of her land under grain, is a complete perversion of her natural development. It has put the clock back one hundred years to that system of

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mixed farming which existed before the famous Repeal of the Corn Laws in 1846.

The effect of this system of agricultural protection by means of subsidies is already being felt in the British Dominions. It constitutes another step in the breaking up of that economic unity of the British Empire which, before 1914, was the very foundation of her greatness. At the same time it has become an insuperable barrier preventing her from entering into greater economic cooperation with Europe.

Thus the British taxpayer is paying some $650 million a year to subsidize agriculture, and reaps, in return, only a harvest of tares. When politicians, either on behalf of pressure groups or through sheer inability to consider all the facts, interfere with the free working of a country's economy, they set in motion forces which may be as disastrous as they are immeasurable. • • •

U.S. Agricultural Subsidies

THE AMERICAN PUBLIC will find federal expenditures on agriculture at the annual rate of 6.8 billion dollars, which is 54 per cent greater than in 1955 and five times as much as in 1939. This does not include some half-billion dollars of gifts of agricultural surpluses abroad and so-called "barters" of them for stockpile materials (paying *deliberately* too much for these materials in order to subsidize agricultural exports). They will find also that the price-support and regular export subsidy programs for agriculture are causing American consumers to pay in the neighborhood of 3½ billion dollars more for the agricultural produce which they use than it would cost at world prices, so that the combined cost of the programs to the American people approximates 10 billion dollars a year, equal to about three-fourths of national farm income.

They will find the farm population has declined to just over 20 million from 32 million in the mid-thirties. It is estimated that two-thirds of these, or 8 per cent of total population, are dependent on farm income.

The bulk of the 6.8 billion dollars of federal expenditures on agriculture is spent in connection with the price-support and export subsidy programs for six crops: wheat, corn, cotton, rice, tobacco, and peanuts, particularly the first three. Less than a quarter of the nation's farms grow these crops.

LAMAR FLEMING, JR., in an address before the American Cotton Congress, May 4, 1959

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CAN WAGE AND PRICE CONTROLS CURE INFLATION?

F. A. HARPER

CONTINUING INFLATION inevitably poses the question: Are wage and price controls effective medicine for the illness? Does the bottle contain a potent remedy, or is it filled with the false potions of quackery?

A doctor diagnoses illness from his knowledge of a healthy body and how it functions. The economic doctors must do likewise. So our first step is to study the anatomy of a healthy trading economy.

Ours is a nation of 177 million persons. Like any other giant and complicated machine, its operation can best be seen by focusing our attention on its small, integral, and essential working parts, so that we may clearly observe how they relate to one another.

So let's start with Jones, a pioneer in the primeval forest. He hunts and fishes and grows some crops in his little clearing. He tames a few animals and uses them for toil or to provide food.

Then along comes Smith to be Jones' neighbor. He, too, hunts and fishes and farms. But Jones is the better hunter, and Smith is the better farmer. As they follow their respective abilities, Jones comes to acquire an abundance of furs, but is short of corn for his meal; Smith has a goodly supply of corn, but is short of furs. So one cold day in winter, Jones – warm in his furs, but hungry – wanders

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over to see Smith, who is well-fed but shivering in his cave. Jones proposes to trade some furs for some corn.

The two men may higgle and haggle over the terms of the trade. The margin for bargaining may appear to be wide in this instance, in contrast to real life in our complex economy. No alternative market exists for the product each has in surplus, except to keep it himself. But on closer scrutiny, we find that each has an effective bargaining tool against the other: Each knows that the other realizes the advantage of making a trade, as compared with keeping his surplus product. Each knows that there is little sense in driving so hard a bargain that it kills off a trade. Each realizes the absurdity of continuing to suffer for want of what the other has for trade. So we may assume that trade will somehow be arranged between them.

Now, what terms of the trade between Jones and Smith might be called fair and just?

The question of a just price presumes certain antecedent questions: Says who? In whose judgment? By what right to speak? Justice always presumes a judge with some principle by which to judge. Who is to be the judge, and what is the principle involved?

Would it be fair to make Jones the sole judge, empowered to force upon Smith whatever terms of trade he shall dictate? Hardly, for to do so is to deny Smith all rights of ownership of the corn he has labored to produce. It would allow Jones to confiscate Smith's property.

Would it be fair to make Smith the sole judge? No – and for the same reason.

The Historical Concept

Historically, the concept of "a just price dictated by a disinterested third party" has usually been offered as the solution of this seeming dilemma. This concept has persisted in the affairs of man since earliest times – since ancient man first congregated into groups of three or more, thus making it possible for one person to interject himself into the economic affairs of two other persons. Let us say that the third party in this instance is Joe Doakes, a new and distant neighbor. Joe seems to be qualified to render justice since he is "distinterested, impartial, unprejudiced, and objective." He might be called the "public representative." Shall it be left to Joe to decide what is a fair price?

Joe's presumed qualifications for judging what price is fair – being disinterested, and all that – are precisely the reasons why he is not really qualified at all. He has

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not one iota of right to speak as an owner because he has done nothing to produce either the furs or the corn. He has no relevant information except what he might obtain from Jones and Smith. They alone can know their own wants, and whether, at each specified price, they should keep what they have produced or exchange it. At best, Joe knows less about it than does either Jones or Smith.

Bluntly and in simple terms, Joe is unqualified for the job of determining a fair price; and furthermore, it is none of his business. To empower him to throw the bargain this way or that is to grant him the equivalent of ownership of both products; and by the test of who has produced them and who owns them under private property, he deserves no such right. At best, he is an interloper; at worst, he is an outright racketeer, holding a power by which he can demand a bribe from either or both parties.

What is wrong with this theory of an impartial judge determining what price is fair? Why is this any different from a judge in a court of law who presides, let us say, in a civil suit concerning an alleged violation of contract?

Such a civil suit involves an impasse of conflict, in which one or the other side must lose by a judgment of "guilty" or "not guilty." A judgment is rendered based on the evidence: Was there a contract? Was it valid? What were its terms? Were the terms violated by the actions of the person?

Yet none of these conditions exist in the instance of Jones' and Smith's trade. There is no impasse which must be resolved *against* one party or the other; each may keep his property and maintain his status the same as it was before they met. In that sense, neither must lose. If they trade voluntarily, both will be better off than before. And the ownership of what is his own gives to each the right of veto — the right to decree that there shall be no trade between them. As was said above, to violate this right by allowing Joe to force a trade at terms he dictates is to violate the right of ownership.

Dual Judgeship

How, then, is the problem to be resolved? Jones has been disqualified as the sole judge. And so has Smith. And so has Joe. Since that excludes all who comprise this society, the problem may appear to be insolvable. But it seems that way only if one persists in looking for a single judge — some one person qualified to make the decision.

There is the appeal of simplicity, among other things, in having authority reside with *one* person — some Joe — empowered to establish

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a just price. Throughout all history, this practice has been in evidence. In Medieval times, for instance, kings or lords fixed prices for goods, and thereby supported the traditional thought of the time, which presumed a just price according to the powerful church influence and the ecclesiastical "logic" of the time. More recently, various arrangements of government have done likewise. But always there has been some Joe occupying the seat of authority, like our own heads of OPA and OPS. There has always been the urge, in other words, to find some *one* person who should be empowered, as the all-wise, to decide the price that would be just. And therein lies the error of the search.

Under the beginning concept that Jones owns his furs and Smith owns his corn, it is clear that no rights are violated if no trade occurs and each keeps what he has. There is no conflict in that sense. The only sense in which a conflict can arise is if either Jones or Smith—or some third Joe—presumes ownership of what is *not* his, and acquires a power to dictate the terms of a trade beyond his own rights as owner. But so long as the basic right of ownership is preserved, a contemplated trade is never a conflict; it is an attempted act of cooperation under which *both* parties, not merely one, stand to benefit. Each has a voice in the decision. Since both reserve the right of veto, their voices are equal in a decision that must be unanimous or else there is no "case in court" and no verdict.

The exchange process involves two persons, not just one. There is no free exchange unless and until *two* persons, serving as judges, agree on what the price shall be. The only persons who qualify as judges are the owners of the goods to be exchanged.

The 177 Million Traders

In our 1959 economy, there are some 177 million Joneses and Smiths. The ebb and flow of their trade and exchange is too complex for any human mind to grasp fully. What is a just price for shoes or wheat or a day's work in this economy?

There is no one just price for all shoes sold today. Justice, as already analyzed, rests on freedom of exchange for *each* pair of shoes, between the store which offers it for sale and the consumer who considers buying it. So the only way to have justice in the price for shoes today is to have free trade and free terms of exchange for each and every separate deal. Justice in prices, then, precludes any legal or authoritative decree or price for any trade of anything.

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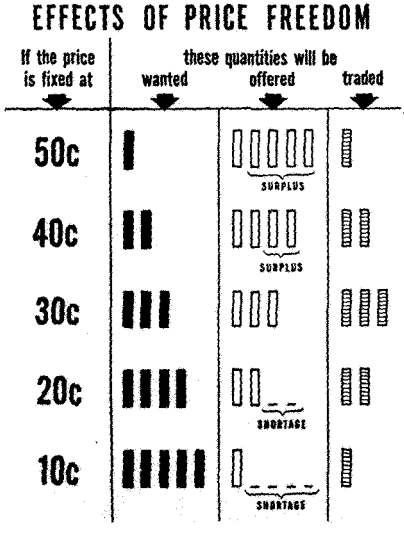
Justice on a large scale cannot be composed of subsidiary injustices. Justice in the aggregate comes only from justice in each of its parts – free and voluntary terms of exchange for each buyer and seller. That demands the preservation of private property rights, above all else. Justice resides in the right to keep what is one's own, if all buying offers are unsatisfactory; in the right of every offerer and bidder to resist coercion—even by the government, the presumed agency of legal justice. Once the search for justice ceases to focus on individual buyers and sellers and scans the national "price of wheat" or "hourly wage," the hound is off the trail. In a free economy where personal rights are preserved, there is no national price of anything; there are innumerable prices, trade by trade.



Miraculous Balance

When prices are freely arranged between each buyer and seller, an over-all condition develops which is one of almost miraculous balance. Both surpluses and shortages disappear. Peace appears where otherwise there would be chaos and conflict. "Who shall have what?" is resolved in the only way possible if a person's time is to remain his own; if what he has produced is to remain his; if he may give his property to whom he wishes, or trade it on whatever terms are satisfactory to both him and the buyer.

The manner in which this balance occurs is revealed by the accompanying chart. It combines two simple economic facts:

1. Consumers will buy less of a thing at a high price than at a low price.
2. Producers will produce more of a thing in anticipation of a high price than of a low price.

Another economic fact, not shown in the chart, is important in interpreting it: For a society as a whole, the consumers are the producers, and the producers are the

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consumers. This fact, coupled with the simple truth that we cannot consume what is not produced, necessitates a balance between consumption and production. As the chart shows, a balance in this instance is found at the free price (at 30¢), where neither surplus nor shortage exists. The free price also generates a maximum amount of trading; and the terms of trade will have been accepted by every seller and every buyer as benefiting himself – as evidenced by their having traded willingly. *The only just price is the free price.*

"Economic Illness"

Against this background of the anatomy of a sound economic body, we may now proceed with its pathology. What is the economic illness for which the stand-by controls are intended? What are the symptoms that will signal a rush to the economic medicine cabinet for the presumed remedy?

"It will be when wages and prices soar due to war or inflation or some other serious disruption; when some emergency causes acute shortages of certain things." These, in the minds of those who favor stand-by controls, are the symptoms of the illness.

Appearing before Congress, a former Defense Mobilizer said: "I am always delighted to see a return to the free market, but I must be sure that circumstances permit it."[1]

The same view was expressed in the following release from the Chamber of Commerce of the United States: "In case of a serious new national emergency, a price and wage freeze would be the most effective way of dealing with the situation, as we learned in both the World War II and Post-Korean periods."[2]

Such persons believe that the free market with free exchange is a pleasant luxury–a lovely thing to be enjoyed only in those happy times when the economy is sailing over untroubled waters. At all other times, the government should prohibit the citizens from such wasteful indulgence, and should dictate prices and wages under the control of administrative law. Freedom of exchange, by this reasoning, should be considered a pleasant pastime – a privilege granted to us and bestowed upon us by the government only when officials of government consider that the circumstances warrant it.

Weakness in Emergencies

As clearly implied in the Defense Mobilizer's statement, those who

[1]Hearings before the Committee on Banking and Currency, United States Senate, Eighty-Second Congress, Second Session on S.2594 and S.2645. March 4, 1952, p.27.

[2]*Economic Intelligence*, Number 55, February 1953, U. S. Chamber of Commerce.

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favor stand-by controls for emergencies look upon controlled prices as strength and upon free prices as weakness. Why, otherwise, would they prescribe the medicine of controls in emergencies?

Any price either above or below the point of a free price, forced by some "Joe" armed with political authority rather than with rights as owner, is *injustice*. As prices depart from that point, more and more trading is killed off, to the detriment of both buyers and sellers. Then further controls over the affairs of workers and producers are likely to be added in order to obfuscate the new difficulties brought about by the first injustice. Error is piled on error in an inverted pyramid of interferences, until eventually the monument of mistakes must be dismantled or collapse under its own unstable weight. Whenever a false premise is adopted for medication, the "cure" is likely to aggravate the condition; then there is the temptation to apply more and more of it under the assumption that the dosage was inadequate or that the area of application was too narrow. Nothing – not even the famous guinea pig – is as prolific as controls in the hands of political authorities, during so-called emergencies.

In the light of the previous analysis, enacting stand-by controls of wages and prices amounts to having a medicine cabinet stocked with injustice to be used in times of emergency; to creating surpluses and shortages, rather than balanced distribution, when emergencies arise; to giving a poison as an antidote for itself. If justice is strength and injustice is weakness, it amounts to prescribing weakness at precisely those times when strength is most needed. Goodness and justice, it would seem, are luxuries to be tolerated during an indulgent binge; but when the going gets rough and sobering realities must be faced, it seems that the emergency bottle should contain *injustice*.

Historical Failure of Control

For those who find the proof of the pudding only in the eating, history affords continuous and ample evidence, since the first known price control laws were enacted in Babylonia 3,800 years ago. They failed of their purpose, as has every similar attempt in recorded history since that time.

It is ever the same. When a government inflates the money or some other cause pushes prices upward, attempts are made to conceal the symptoms, rather than to attack inflation at its source or otherwise get at the root-cause. The attempt is made to adjust the scale on the thermometer by edict, rather than

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to cure the fever that causes the mercury to rise – so to speak. The treatment applied to the fever victim is to throw him into a deep-freeze.

National Socialism Via Control

The evidence against controls, even during emergencies, is so overwhelming – by logic, and as revealed in the historical record – that one wonders how their enactment has gained so much credence in this "land of the free." Could it be that we have been so busy manning the machines of physical defense that an intellectual mass attack upon our bastions has gone unnoticed? Sometimes our perspective on such matters is helped if we back away from the illusory belief we have embraced and look at the evidence from a distance.

Lassalle, the German Socialist, in a letter to Bismarck on June 8, 1863, wrote: "The working class instinctively feels attracted to dictatorship, if they can first be convinced that it will be practiced in their interests." Spengler accurately forecast an age of governmental demagogy when he wrote:

"What is truth? For the multitude it is that which they constantly read and hear . . . what it [the press] wants, is true. Its commanding officers engender, transform, and exchange truths. Three weeks' work by the press, and all the world has perceived the truth."

In the early forties, when we were at war with national socialist Germany, the United States Department of State published a revealing treatise on these ideologies of our then enemy. It is revealing because it shows that we embraced, and are still embracing, the ideologies of our enemy in national socialism.[3]

This source warned us that as the plan of national socialism progresses, an authority is to be made supreme; his decisions are to be final and always right; his followers are to owe him the duty of unquestioning obedience. This is the same concept that was advocated by the ardent nationalistic philosopher, Johann Gottlieb Fichte.

A Prophecy

But under the influence of Napoleon's repulsive example, Fichte later opposed absolutism in the state, foretelling the character of a future führer and describing how he might come to attain his power: The future führer would educate his people in cool and deliberate piracy; he would encourage extortion; robbery would be made the honorable token of a fine

[3]Raymond E. Murphy and others, *National Socialism: Basic Principles, Their Application by the Nazi Party's Foreign Organization, and the Use of Germans Abroad for Nazi Aims*, Department of State Publication No. 1864 (Washington, D. C.: U. S. Government Printing Office, 1943), pp. 11, 12, 15, 22.

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reason; the State should virtually eliminate private enterprise, setting up a rigidly planned corporate economy – including, of course, price controls and other controls of various sorts; there would be strict governmental control of labor and production, concealed inflation and blocked currency, international barter agreements, and intensive armament as a prelude to territorial expansion.

Those are the concepts embodied in controls, whereby legalized looting of some persons by others is authorized under guise of fighting inflation. It is the blueprint of national socialism as told by our own State Department. We should read it again and again – and judge our own acts by its measure.

Goering's Advice

This quotation from Henry J. Taylor, of what Goering said in an interview long after Goering, Ribbentrop, and others had been jailed following the surrender of Germany, is revealing:

"Your America is doing many things in the economic field which we found out caused us so much trouble. You are trying to control people's wages and prices – people's work. If you do that, you must control people's lives. And no country can do that part way. I tried it and failed. Nor can any country do it all the way either. I tried that too and it failed. You are no better planners than we. I should think your economists would read what happened here.

"Germany has been beaten, eliminated, but it will be interesting to watch the development of the remaining great powers, the stupidities they practice within their home lands, their internal strife, and their battles of wits abroad.

"Will it be as it always has been that countries will not learn from the mistakes of others and will continue to make the mistakes of others all over again and again?"

This same view – believe it or not – was confirmed by the then Vice-president of the Council of People's Commissars and People's Commissioner of Foreign Trade, in an interview printed in all Soviet newspapers on May 18, 1945.[4] In explaining the serious food situation in Germany, he blamed the Hitler regime for having forbidden free trade of all articles of daily consumption. He stated that the trouble was due to the closing of all markets and the forced delivery of all farm products to the government, thus killing the incentive to produce.

It is not, perhaps, entirely a coincidence that the man who was

[4]Supplied through the courtesy of Professor Jacques Rueff, of the Institut d'Etudes Politiques, Paris, France.

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the administrative head of German Price Administration until 1923, when their inflation exploded, came to the United States, wrote the book entitled *Price Control in the War Economy* in 1943, and became chief consultant in the Office of Price Administration.

A Matter of Degree

Now, rather than being at war with a national socialist Germany, we are involved in a "cold" war with communist Russia. Let's take a look at the advice from that quarter. Not that there is much difference between the communism of Russia and the socialism of Germany prior to World War II. Communism is merely socialism in a hurry. Even Marx spoke of what we now label "communist" as being socialist, and the Soviet state was named the Union of Soviet *Socialist* Republics. Moreover, the Communist Party in the United States, in its advice about recruiting new members, says that it should be easy to recruit a socialist by showing him that the Communist Party is the only real fighter for socialism in America; that the most effective way to help attain his ideals is to join the Communist Party.[5]

In 1848, Karl Marx, the "father" of communism, listed ten measures for a successful communist-socialist revolution. Among them are several which specify controls by the State of prices in their various forms, and also the confiscation of private property.

In 1950, Earl Browder, former leader of the Communist Party in America, discussed the American trend toward communism. He listed 22 specific attainments which he said had furthered the communist program in this country even beyond that attained in Britain under their much-maligned Labor government. Among those listed were controls over prices, credit, money, laborers, and businesses; also bribes, in the form of special privileges to various groups. The program is so far advanced already that the government owns nearly one-fourth of all wealth other than land, and has licensing and other controls over practically every type of business.

Stand-by Controls for What?

The most kindly charge that can be made against one who favors stand-by controls for emergencies, it seems to me, is that he does not understand the workings of a free market and that he lacks confidence in the performance of free men working with private property in a voluntary exchange economy. And if that be his belief, why does he not propose government con-

[5] *Gaining Recruits for an Idea*, single sheet, Foundation for Economic Education.

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trols of everything, *all the time?* Why not use the "strength" of controls all the time, not just in emergencies?

Stand-by controls? For what? Not, to be sure, for the purpose of either productive efficiency or justice! Not to maximize trade, nor to balance distribution so that shortages and surpluses will disappear! Not to further the freedom of man in this land which we claim will be the last bastion of freedom in the world struggle in which we are now engaged!

To enact stand-by controls would mean putting into the law of the land a permanent endorsement of a basic tenet of socialism — the principle that control of the vital mainstreams of commerce and confiscation of the rights of private property are sound and just practices. A nation of freedom cannot enact even stand-by controls and remain basically free.

> ". . . it hath been found by Experience that Limitations upon the Prices of Commodities are not only ineffectual for the Purposes proposed, but likewise productive of very evil Consequences to the great Detriment of the public Service and greivous Oppression of Individuals."[6]

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[6]June 4, 1778. *Journals of the Continental Congress* (1908 ed.), p. 569, Vol. XI.

EDITOR'S NOTE: This article is a slight condensation of a pamphlet published in 1953 under the title, *Stand-By Controls.* Copies of the pamphlet may be obtained from The Foundation for Economic Education, Irvington-on-Hudson, N. Y. at 10 for $1.00; 100 for $6.00.

IDEAS ON LIBERTY

One Set of Ills for Another

THE RESULTS have been astonishingly uniform. . . . The history of government limitation of price seems to teach one clear lesson: that in attempting to ease the burdens of the people in a time of high prices by artificially setting a limit to them, the people are not relieved but only exchange one set of ills for another which is greater. . . . The man, or class of men, who controls the supply of essential foods is in possession of supreme power. . . . They had to exercise this control in order to hold supreme power, because all the people need food and it is the only commodity of which this is true.

MARY G. LACY, *Food Control During Forty-six Centuries*

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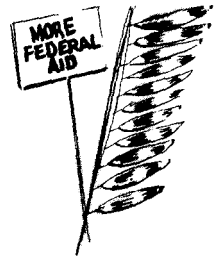
WELFARE STATE IN ACTION



A PICTURE of Indians of the Six Nations picketing the White House probably attracted no more than a curious glance. But the next time you are traveling in a part of the country where there is a major Indian reservation, give it more than a curious glance. Give a thoughtful look. There, but for the grace of God, sit you, or we.

But for the grace of God – and the independence of a lot of ancestors who figured they would work things out for themselves rather than look to the government to take care of them.

The Indians were not given as much choice about it. For more than 170 years – though considerably less in the case of some tribes which were less tractable than others– the all-providing guardian of the reservation Indians has been the United States government. In any case, since well beyond the memory of any living elder, the reservation Indian has been the beneficiary of a cradle-to-the-grave Welfare State administered in Washington.

What is the result?

In Mississippi, the *Jackson Clarion-Ledger and Daily News* recently looked to the Choctaw Indians, whose reservation is there, for an answer. A missionary called the Choctaws the most poverty-stricken group in the nation. The only serious challenge we can think of to that statement might come from those who would claim that the distinction belongs to some other reservation tribe. This condition has been developed under generation after generation of management of economic affairs by federal "experts." It is to such management as this that the welfare enthusiasts want to turn over the entire American economy.

The missionary critic said the adult Choctaws average a second grade education. An Indian Agency official said this wasn't so, that the Choctaws have a fourth grade average. The federal government, from the beginning, has been responsible for providing education for the reservation Indians. This is the same govern-

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ment which the federal aiders say must plunge into all American public education at once, to save it from "disaster."

The last school census showed some 91,000 Indians of school age. A third of these were in public schools, off the reservations. Nearly 8,000 were in mission schools. About half of the rest were in federally provided schools. On the Navajo reservation alone, in the Southwest, there were 15,000 school age children not in school. School facilities were not available for them. It is to the federal government, which has had the responsibility for reservation schools from the beginning, that the federal aid enthusiasts now want the whole country to look for money and example in providing adequate schools. What an example!

The tuberculosis death rate among the Choctaws is put at five times the national average. The infant death rate is termed three times the national average. The federal government is and has been responsible for hospitals and medical care for the reservation Indians. The welfare staters want to turn over the health of the entire nation to the mercies of a bureaucracy with a record like this.

These are, to be sure, examples from the worst of the Indians' experience. Many Indians, either in groups or individually, now live just as well as anyone else. But they haven't done it under the care and feeding of the federal government! These are the ones who have succeeded in taking over the management of their own affairs or who have left the reservations or who have been so fortunate as to have oil turn up under their tribal lands.

Take a long and thoughtful look at the tribal groups which have continued to depend on the wisdom and benevolence of federal paternalism. You will see what all America would be like a few generations from now if the welfare state planners should succeed in taking over.

Let's not let it happen. Let's chuck the Welfare State, with its "security" and its "benefits," into the ash can where it belongs. Let's go back to the principles and practices of individual initiative. They built a nation out of a wilderness. They can keep the nation going forward to ever greater heights of freedom and progress. • • •

From *The Indianapolis Star*, March 21, 1959.

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PROPHETIC INTIMATIONS

A modern lesson from the French Revolution

IT IS THE TEST of an enduring classic that it has the ability to maintain an underground life during periods when its spirit or its morality or its lesson is not in fashion. Andrew Dickson White's *Fiat Money Inflation in France,* which has just been republished again by the Foundation for Economic Education with an introduction by Henry Hazlitt (128 pp. $1.25 paper; $2.00 cloth), is such a classic. Both its spirit and its morality are old-fashioned, and its lesson (though inexorable) has been honored more in the breach than in the observance. But it has always come back, a source of indisputable fact and wisdom for the discerning.

This time the republication of *Fiat Money Inflation in France,* with its many prophetic intimations, promises to have a major impact. The battle for and against inflation rages in Washington, with the tide seemingly running strongly against the stalwart few who object to the notion that governments are instituted among men to serve as grab-bags. In the country at large, however, the whole rigmarole of "social democratic" economics (interventionism, Keynesian spending, the sacrifice of all other values to the fetish of full employment) commands less intellectual prestige than it did a few years back. And in Europe, where the social democratic ideas have raged through country after country like a plague, a real libertarian revival seems to be taking place in government itself. As is generally known, the ideas of Mont Pelerin Society libertarian professors have been dominant in West Germany for almost a decade. More recently these ideas have crossed the Rhine: Charles de Gaulle has been taking his economic cues from Mont-Pelerinian Jacques Rueff, whose program calls for a stabilized and convertible currency, a balanced budget, fewer subsidies, and a relaxation of trade controls – in short, an end to inflation itself.

The "movement of ideas," then,

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should guarantee a more willing acceptance of certain deductions drawn by Henry Hazlitt from White's pungent historical essay. The usual argument for inflation is that it favors the debtor classes, who are usually thought of as the poor. But Mr. Hazlitt, drawing upon White's facts and reinterpreting them to fit the contemporary United States, notes that it is the rich who are ordinarily the chief debtors in any advanced economic society. Says Mr. Hazlitt: "In the United States today the chief debtors are the stockholders of the corporations.... The creditors include the holders of life insurance policies, and of government bonds, large and small...." Whom, then, does inflation help? And whom does it hurt?

As Mr. Hazlitt says, "A poor man never gets to be a big debtor." The only way the poor man can protect himself against inflation in our modern society is to belong to a union which has a monopolistic position. In French Revolutionary times there were no such unions, which meant that the fiat money inflation bore down most heavily on the very people whom the revolutionists professed to serve. But even today most workers aren't in a position to get the "cost of living" increases that are becoming standard items in the "packages" demanded by the few big unions. Inflation, in the modern United States, helps an aristocracy of labor; it bears down cruelly on a vast host of workers who either do their own individual bargaining or operate on a contract basis for themselves.

Andrew D. White (1832-1918)

Andrew Dickson White was a professor of history, an educator, and a diplomat; he helped to establish Cornell University in New York State, and he led a famous campaign for the "equality of studies" in the post-Civil War era. His educational ideas, carried to excess, have done some harm, for they have led to the absurdity of giving college degrees for taking courses in flycasting, beekeeping, and home economics. When White was fighting against the primacy of Latin and Greek, however, it was the basic theoretical underpinning of science itself that was being left out of account. To White, it seemed senseless to regard a Latin scholar as the social superior of the chemist, the civil engineer, or the economist. Something had to be done to bring the post-Civil War university abreast of the modern world; hence, White, a realist, accepted the challenge.

As a historian, he looked for uniformities of experience that might be formulated as natural law. When he was president of Cornell,

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the whole American West was seething with inflationary ideas. There was Greenbackism; there were the Free Silverites. William Graham Sumner's *History of the American Currency* was replete with grisly instances of the workings of Gresham's Law whenever the effort was made in the United States to build prosperity on irredeemable paper. Because of the safety valve of the American frontier, however, the full force of inflation had never been felt on these shores. There was always a new horizon for the indigent, the temporarily ruined, or the immigrant without a stake.

Monetizing Church Lands

To uncover the workings of the natural law of inflation, White, in a paper read before the Union League Club of New York in 1876, went back to the French Revolutionary experience with the assignats and the mandats, paper money based on the properties which had been seized by the "peoples' " State from the Church or forfeited by *emigrés*. The leaders of the French National Assembly thought they were being inordinately clever in making their first issue of paper money a mortgage on "a landed domain vastly greater than the entire issue." And, since land acquired for paper money could be held for an indefinite period pending the return of financial probity, or sold on the market for solid cash, the dodge might have worked if the national authorities had had the good sense to refrain from repeating it. Within five months of the first issue, however, the new Revolutionary regime succumbed to temptation and issued a second batch of paper livres. In the following year – 1791 – the inflationary debauch was on.

Good men – the economist Du Pont de Nemours and the brilliant cook, Brillat-Savarin, were among them – warned against any issue of paper money. Other good men – Mirabeau, Talleyrand – thought a little inflation, just a very little, might be a good thing. But when Talleyrand argued that the effect of a second issue of assignats might be different from that of a first, he was overruled by an Assembly that had tasted blood. White, in the course of a wonderfully animated narrative, notes a "law of acceleration" that seemed to be at work as one inflationary issue of assignats followed another. When prices went out of whack with the inevitable depreciation of the circulating medium, the extremists in the Assembly took over. Naturally, they turned to force. Price-fixing – the notorious Law of the Maximum – was invoked in 1793. Then rationing was added. To make sure the merchants

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obeyed the Law of the Maximum, a spy system was organized. The death penalty was prescribed for anyone who refused to accept payment in assignats, or for anyone who violated the Maximum laws.

With the guillotine poised above the throats of virtually all shopkeepers, farmers, and manufacturers, it is scant cause for wonder that the people of France ceased more and more to do any business whatsoever. It was much safer to go on relief – even though the bread distributed by the authorities was sometimes indigestible. Speculators, however, knew how to protect themselves. With a great show of virtue they willingly did business, buying up land and goods for vast amounts of worthless paper. Meanwhile, they bribed the legislators and dressed their wives in vulgar finery as the tone of "society" became more and more raffish. The speculators "unloaded" their paper on the people before prostration set in.

Inflation, as Mr. Hazlitt points out, is always followed – in the end – by a "stabilization crisis." In the France of 1799, the "stabilization crisis" produced Napoleon, a dictator. When the dictator refused to have any more traffic with assignats or mandats, France began a long and painful convalescence. Along with the dictator the French people got fifteen years of debilitating warfare, a vast bloodletting carried out in the name of *la gloire*. And all because, in 1790, a few men had decided that a little nip of inflation might be a good thing.

Other Causes of the Revolution

There were many other elements, of course, that fed the flames of the French Revolution. First of all, there was the theory that all the people of a nation must be bound *in all matters* by the "general will" (meaning a 51 per cent vote). Secondly, there were the linked "scientistic" ideas that man is perfectible and that the State can be the instrument of making his perfection a reality. Thirdly, there was what Frank Chodorov has called the operation of the Law of Parsimony – meaning that a steadily increasing number of people will cease to work for a living in any State that is philosophically committed to supporting its citizens. Inasmuch as the French Revolutionary theorists believed what they believed, the inflation was probably an inevitable by-product of a general state of mind. But this does not invalidate White's essay in the least. White does not say that inflation "caused" the excesses of the Revolution. He does indicate that it helped to intensify and prolong the excesses. And that is quite enough. • • •

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Four Days in July.

By Cornel Lengyel. New York: Doubleday & Company. 360 pp. $4.95.

THE FULL STORY of the Declaration of Independence is the whole history of human liberty. The story of the Continental Congress which adopted that Declaration is a chapter in that history, one of the most important chapters. The Declaration sets forth the conviction that political liberty is part of the covenant between a man and his Maker. The general assumption hitherto was that such liberties as a man was permitted to exercise he had on loan from the sovereignty – variously conceived as the king, the society, or the majority. The Declaration stepped off, not so much in a new direction as into a new dimension, by resting sovereignty in the Creator who endows men with the full stature of their humanity.

It may be accepted that the philosophical side of the Declaration is the most significant part of the story, but the importance of the human elements must not be overlooked. History is mostly biography, and the prime movers in the Continental Congress are men of such large caliber that its story is to some extent their story. And their story can be well and fully told, for these men were letter writers, diarists, and conversationalists. Their day by day record of the great events in which they participated is voluminous and still available. Thus, one may tell the story of the Declaration of Independence in the words of the men who framed it. We can almost sit in on the debates which preceded its adoption.

The events in Philadelphia are brought to life in Cornel Lengyel's book. It reads like a novel, but the author cites his sources chapter by chapter and assures us that the speeches and conversations, except for minor interpolations, are verbatim. The purist who insists that history must be footnoted and dull may have a point or two to support his preference; there is some subject matter better treated in small screen black and white rather than in Cinerama. But three dimensional color has a real place, and there is a place for books like *Four Days in July,* especially when they are as well done as this one.

Some of the men who figure prominently in Lengyel's book air their religious opinions in a recent compilation entitled *In God We*

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Trust – insofar as these opinions can be revealed by excerpts from letters and other writings (Norman Cousins, editor. New York: Harper & Bros. 464 pp. $5.95). The book is hardly a contribution to the literature of religion, because the real religion of the Founding Fathers is something which can only be inferred from the premises on which they habitually acted.

There is an old Latin motto which is rendered freely as "Our studies vanish into attitudes." The Founding Fathers were legatees of a great religious tradition which had shaped in them the high standards of courage, probity, and morals by which they lived. They believed in a Supreme Being, to whom they were polite, and they hoped for immortality, but without enthusiasm. They had their religion by osmosis, not by contagion. Faith was a private matter. "I never told my own religion," wrote Jefferson, "nor scrutinized that of another." The fruits of religion were visible in their lives, and for this we honor them.

In God We Trust is a useful piece of Americana. We understand our own history better when we know the religious opinions of the men who helped launch the American experiment. They understood what some churchmen have never realized, that compulsory religion is a contradiction in terms. By God's grace, the Founding Fathers were not theologians, else the country would have been stillborn! They were gentlemen, and their abhorrence of religious conflict gave us the great principle of religious liberty. E. A. OPITZ

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MEMO ON PRIVATE ENTERPRISE

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"Tax money is saved by the present limitations . . . on parcel post packages"

Consistent with its long-standing position, the Chamber of Commerce of the United States once again has spoken frankly in its defense of private transportation enterprise and its opposition to the efforts of parcel post shippers to extend their already large taxpayer subsidies.

In the April 24, 1959, issue of *Washington Report*, the Chamber points out to the taxpayer that "some of your tax money is saved by the present limitation on the size and weight of parcel post packages."

In an April 20 statement to the Senate Post Office Subcommittee, the Chamber urged Congress to preserve Public Law 199, enacted in 1951 by the 82nd Congress, which imposed the present parcel post limits between first class post offices. Following are some pertinent quotes from that statement:

"Since enactment of the law, substantial amounts of large package business have been returned to commercial carriers. This has benefited the nation's economy. The business should not now be turned back to the government.

"Parcel post is still a subsidized government service, since part of its costs are hidden in the budgets of other agencies and are not charged against the Post Office Department. Moreover, postal facilities are not adequate now to provide all the service assigned to the Department. Any increase in the size and weight of packages permitted in the mails would increase the need for more governmental spending for enlarged facilities."

* * *

"Protection is provided by P. L. 199 to communities and individuals not adequately served by private carriers in that it applies only between first class post offices, where private carriers are equipped to handle all transportation needs.

"P. L. 199 was brought about, as a restatement of policy by Congress, because the original purpose of establishing parcel post had been distorted over the years by administrative action until the Post Office found itself in the freight business."

Representing 3,450 business organizations with an underlying membership of some 2,500,000 businessmen, the U. S. Chamber justly opposes the special interest viewpoint of the relatively few large commercial users of below-cost parcel post.

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